

NEWS SUMMARY

GENERAL

New deal for Spain

Spain's Premier, Sr. Adolfo Suarez, was last night working on a major political initiative to capitalise on the Government's crushing victory in the national referendum on voting reform.

With turnout almost 77.5 per cent, the Yes vote totalled 94 per cent against only 2.5 per cent voting No.

Sr. Suarez was believed to be trying to put together a package to satisfy the demands of the kidnappers of the president of the Council of State, to take the heat out of the Basque Nationalist issue and provide a generous amnesty for the country's remaining political prisoners. Back Page and Feature, Page 16

BUSINESS

Equities rise 8.9 but gilts weaken

● **EQUITIES** rallied, with some sizeable institutional buying. But prices drifted down in the afternoon in the absence of sustained support. The FT 30 Share Index, up 11.7 at 1 p.m., closed at 322.7 for a gain of 8.9 on the day.

● **GILTS** were unsettled by the Chancellor's measures and by reported moves on oil prices and the minimum lending rate. Longs fell a point or more, while short-dated stocks shed up to 1.

● **STERLING** fell 55 points to close at \$1.6625. Its trade-weighted depreciation widened to 45.2 (44.4) per cent; dollar's depreciation widened to 0.71 (0.73) per cent.

● **INVESTMENT CURRENCY** premium jumped 61 points to 122 1/2 per cent, as uncertainty about the future of sterling prompted revived demand for investment dollars in a market where sellers were scarce.

● **GOLD** fell \$1 to \$133.875.

● **WALL STREET** was down 1.16 at 982.63 near the close.

● **SOVIET** bloc will allow its joint currency, the transferable rouble, to be used to settle trade with the West. The move may lead to creation of a Euro-ruble market. Back Page

Report praises Rank Xerox

● **MONOPOLIES** Commission praised Rank Xerox for its export record and general efficiency. But it proposed that the company end its group pricing scheme which gives discounts of up to 25 per cent to large users. Page 10 and Lex

● **POWER STATIONS** costing \$900m, must be ordered before they are needed if Britain's heavy power industry is to be saved from collapse, according to a Think Tank report. Back Page and Page 9

● **BREAD PRICE** war seemed more unlikely after another baking group, RHM, said it would not raise its basic level of trade discounts on bread. Page 9

● **COFFEE** prices are to be investigated by the Price Commission, said Mr. Roy Hattersley, Prices Secretary. Page 9

● **EMPLOYMENT** Department has expressed concern to Fleet Street newspaper proprietors about wage agreements which allegedly breach the pay policy, and warned that difficulties could arise in applications for price rises. Page 10

COMPANIES

● **DISTILLERS** made higher pre-tax profit of £53.2m. (£42.5m) on turnover of £270m (£241m) in the first half. Page 19 and Lex

● **BURTON** Group reported a £1.39m pre-tax loss, against a £2.5m profit the previous year, and the dividend is being halved. Page 19 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RUSES:

Anglia TV A 89 + 4
B.A.T.s Inds. Ltd. 220 + 5
Barclays Bank 225 + 7
Bears Charrington 72 + 6
Beesdam 365 + 12
Britnivaite 130 + 12
British Sugar 280 + 13
Furton A 29 + 3
Cavenham 91 + 4
Courtaulds 60 + 3
EMI 312 + 5
Fisons 293 + 8
Glasco 387 + 12
GUS A 168 + 6
Hawker Siddeley 410 + 10
Himfray 33 + 4
ICI 305 + 9
Ladbroke 93 + 5

Lond Secs. 120 + 4
Lloyds Bank 185 + 7
Lynon Holdings 65 + 5
MEPC 48 + 5
Roya Insurance 200 + 10
Spear & Jackson 112 + 8
Union Discount 280 + 8
Wheeler's Restaurant 95 + 3
BP 728 + 6
LASMO/SCOT Units 252 + 10
Guthrie Transport 424 + 10
Free State Geduld 111 + 4
RTZ 171 + 4
Selsat 65 + 5
Thiess Holdings 176 + 6

FALLS:

Treasury 131% 1995 £1001 - 14
Treasury 131% 1995 £1001 - 14
Davy Intl. 184 - 14
United Real Prop. 167 - 7

Oil rise may be 10-15% as OPEC stays deadlocked

BY RICHARD JOHNS; DOHA, Dec. 16

The major oil-producing nations were to-night bitterly divided over next year's oil price after an adjournment to allow Sheikh Yamani, the Saudi Arabian Oil Minister, to go back to Jeddah for top-level consultations.

Sheikh Yamani returned to the Organisation of Petroleum Exporting Countries' conference 10 hours after he had left for talks with Crown Prince Fahd, the First Deputy Premier and strong man of the Saudi regime.

The Sheikh is believed to have returned with new proposals in an effort to break what is perhaps the worst deadlock in OPEC for many years.

Before his departure from the capital of Qatar in the Gulf, Sheikh Yamani had restated the Saudi Government's position that the 15-month price freeze which expires in January 1977 should be extended for a further six months.

The majority of other States are bitterly opposed to this, with most members holding out for a minimum 15 per cent increase.

It is too early to say what the final decision will be, but the likely area of compromise is between 10 and 15 per cent.

OPEC decisions require unanimity, although twice in 1974 Saudi Arabia was allowed (with the agreement of the others) to record its dissent over agreed royalty and tax increases.

To-night, it remained unclear whether Saudi Arabia would refuse to go along with a 10-15 per cent increase and—if it did so—such a drastic step would break up the oil cartel.

Sheikh Yamani has found himself isolated before, and has been forced to seek new guide-

lines from his political masters. He may have returned to-night with a mandate flexible enough to bring about a compromise, even if Saudi Arabia declares that it will not raise its price by as much as the other producers.

Mr. Tayeh Abdel-Karim, Iraqi Oil Minister, dismissed Sheikh Yamani's exit as a manoeuvre, adding: "We know the position because King Khalid and others have said Saudi Arabia would accept 10 per cent."

The Iraqi warned that "Arab public opinion will not allow Saudi Arabia to maintain an independent stance." Sheikh Yamani's only source of support—and that is limited—is the United Arab Emirates.

Sudden

Sheikh Yamani's departure today recalled a similar dash to London during the September 1975 conference. His latest move may have been related to a telephone conversation between the Shah of Iran and King Khalid on Wednesday night apparently aimed at bridging the differences between the two leading oil exporters.

Other delegates remained unsettled by his sudden departure, despite the seemingly unbridgeable gulf between Saudi Arabia and the militants like Iraq and Libya.

Dr. Jashid Amouzgar, chief Iranian delegate, suggested most countries wanted a 15 per cent increase.

At one extreme, Iraq and Libya are holding out formally for a 20 per cent rise in line with the Economic Commission's finding that members' imports from the industrialised countries of the West will have risen by as much from October 1975, when the freeze began, to the end of this year.

But pressed on this point Iraq's chief delegate said: "In our opinion this is not ambitious but for the benefit of solidarity we might revise our position."

In practice, too, Libya also would be prepared to settle for 15 per cent.

Kuwait proposed a 10 per cent increase as a compromise which Venezuela and probably Indonesia would be prepared to accept. Light others, including Iran, were sticking at 15 per cent.

Dr. Musa Otaiba, of the United Arab Emirates, which was aligned with Saudi Arabia at the outset, said that his Government was prepared for anything up to 10 per cent and expressed the hope that others would come down to that level.

He complained of the lack of flexibility shown by members so far, commenting: "If things stay as they were this morning I think this is the gravest point OPEC has reached."

U.K. petrol may rise, Page 3

Major shipbuilding order for U.K. from Poland

BY DAVID LASCELLES AND JOHN WYLES

A SERIES of major Anglo-Polish deals involving British exports worth more than £200m, and a vital lifeline to the country's ailing shipbuilding industry were agreed in principle last night. The marked the climax of the three-day visit to Britain by Mr. Piotr Jaroszewicz, the Polish Prime Minister.

The contracts and the parallel success of the political discussions between British and Polish leaders have greatly strengthened relations with Poland.

The shipbuilding agreement, involving an undertaking by the Polish Steamship Company to order 22 bulk carriers worth up to £150m, from British yards, is one of the largest of a series of orders ever placed with the British industry, but also one of the most unusual.

It had its origins with the merchant bank, Guinness Mahon, which has strong Polish connections, was negotiated in conjunction with the Organising Committee of British Shipbuilders, whose chief executive, Mr. J. Graham Day, resigned last week, and was brought to an unexpectedly swift conclusion by the Polish Prime Minister's visit and Mr. James Callaghan's apparent taste for exploiting contacts with other heads of government to bring off shipbuilding deals.

The Prime Minister was given some of the credit for an important Kuwaiti order won by Govan Shipbuilders earlier this year. But not until late on Wednesday evening it was decided that the shipbuilding deal should be included in the joint communiqué to be issued to-day.

The Polish commitment has been won by a financial package described last night as "imaginative" and "of the highest quality". Details are obscure although Whitehall was stressing that the agreement was not in breach of the OECD's shipbuilding credit guidelines. This may be because such a package was unknown when the guidelines were written.

In outline, an Anglo-Polish company is to be set up in Poland with the Polish bank responsible for owning and managing the vessels and the British half providing the financing. Repayments on the ships will be paid out of their earnings with construction capital being provided in Britain backed by some form of Government guarantee.

Orders for the ships will be placed by the organising committee of British shipbuilders on the basis of competitive tender by yards with experience of building vessels of this type, ranging from 4,400 deadweight tons to 36,000 dwt bulk carriers.

Delivery of the ship will be phased between 1977 and 1980. The order is of very great importance at a time when British yards are running out of business. Whitehall estimated that it would provide work for 8,000 men.

But with the employment situation becoming critical at several yards capable of building the ships, such as Scott Lithgow on the Clyde, Robt. Caldon on the South-East Coast, and Swan Hunter on the Tyne, the distribution of the orders could rapidly become a political issue.

Cementation International also signed letters of intent for the construction of an air terminal for the Polish airline Lot, worth £45m, and two hotels in the Baltic port of Gdynia worth about £22m.

Other agreements are a £5m contract for a joint U.K.-Polish company Polibur to supply equipment for a cyclotron plant in Czechoslovakia, and deals by ICI and Shell for trade in chemicals.

This business came against the background of a new five-year economic co-operation agreement signed yesterday by Mr. Jaroszewicz and Mr. Callaghan.

Hope of sterling safety net

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GOVERNMENT believes that it may be possible to reach agreement on a safety net for sterling balances at a meeting of central bankers in Basle on January 10.

A senior Whitehall official said yesterday that it was possible that sufficient progress might be made at a special Bank for International Settlements meeting in Paris on Monday for some indication to be given of the general shape of the proposed scheme next week. He suggested that it might then be possible for talks to be concluded at the Central Bank governors' meeting in Basle in mid-January.

Hopes of an early resolution to the sterling balances problems helped the pound yesterday afternoon after it had earlier, weakened on further consideration of the economic measures announced by Mr. Denis Healey, Chancellor on Wednesday, and after rumours of a large impending rise in oil prices.

Sterling closed at \$1.6625, near its close on the previous evening in New York, but down 55 points on the day in London. This represents a two-day drop of 1.35 cents.

It also emerged yesterday that reports on TUC economic committee and Tribune group meetings and also details of industry schemes. Back Page

the economic measures would result in the loss of about 100,000 jobs by the end of 1978, although this officially is regarded as a very tentative estimate based on

The Bank of England indicated yesterday that it would oppose too sharp a drop in minimum lending rate to-day.

The message was that a reduction of 1 per cent, from the present 14 per cent, would be acceptable to the authorities but any bigger cut would not be welcome. During the week, rates in the money market had been at levels which, if maintained, at to-day's Treasury bill tender, could have brought an M.L.R. cut of 1 per cent or more.

The Bank gave its signal by lending to the market at M.L.R. for seven days, the same technique it used to prevent a fall in each of the previous three weeks.

Officials also made it clear yesterday that any margin to allow income-tax cut in the spring Budget—without pushing the public sector borrowing requirement above £8.7bn.—would have to come essentially

from changes in the forecasts, such as a faster growth in exports than now assumed and a low pay limit for 1978, or from policy changes. These might obviously include further cuts in public spending or increases in indirect taxes.

The reference in the letter of application to possible future measures of between £500m. and £1bn. for 1978-79 if the economy looks like growing faster than 3 per cent a year in both 1978 and 1979 was clarified yesterday as a contingency in view of possible strains on capacity in the manufacturing sector rather than because of worries about possible financial pressures.

It also emerged yesterday that the International Monetary Fund's monitoring next year will involve the normal annual cumulative visit in May which will review the figures, notably Domestic Credit Expansion, for 1977-78. In November, there is likely to be a further visit from an IMF team to examine and, if necessary, alter any of the projections for 1978-79.

The Group of Ten is to meet in Paris on Wednesday in order to schedule the General Arrangement to Borrow needed to raise the currencies for the IMF loan.

Bank official in court to-day

BY MARGARET REID

MR. MARTIN WALES, a Bank of England official, has been detained by the police and will appear at Bow Street in London this morning to be charged with a conspiracy offence concerning the investment currency premium.

The Metropolitan and City Police Company Fraud Department has detained five others with Mr. Wales. They will also appear at Bow Street this morning.

All will be charged in connection with matters concerning the investment dollar premium.

Mr. Wales, described as a member of the supervisory staff in the exchange control department of the Bank, was suspended in September on full pay while alleged breaches of exchange control regulations involving a Bank employee were investigated.

In April the Bank announced in the daily Press and elsewhere the Bank of England's exchange control regulations are being conducted in conjunction with HM Treasury with a view to discovering whether any official of the Bank has knowingly been involved in any breaches of the Exchange Control Act 1947.

"If any evidence sustaining such an involvement is found, the normal machinery will be brought into action with a view to a prosecution."

The Treasury investigation was headed by the Director of Public Prosecutions in August. He called in the Fraud Squad, formally known as Scotland Yard's Commercial Branch.

It was then said the inquiry concerned a technical official on the Bank's exchange control staff who at that time was working at the Bank and performing "normal banking duties."

It was indicated that the inquiry included the investment currency premium, the premium on the limited volume of foreign currency which is available for investment in overseas securities.

Mr. Wales was one of 50 "signatories" in the Bank's exchange control department, which employs about 750 people. This is not a senior position but carries authority to sign letters replying to exchange control requests.

£ in New York

	Dec. 16	Previous
Spot	\$1.6625-260	\$1.6700-080
1 month	1.67-2.02 dis	1.66-1.60 dis
3 months	1.674-1.11 dis	1.674-1.10 dis
12 months	1.67-1.10 dis	1.67-1.10 dis

Referendum in autumn on devolution

BY RICHARD EVANS, LOBBY EDITOR

MINISTERS bowed yesterday to referendum which was becoming growing pressure from Labour and Conservative MPs and

agreed to hold a referendum before the Scotland and Wales Bill, setting up separate assemblies in Edinburgh and Cardiff, takes effect.

Detailed provisions, including the questions to be asked and whether England will be involved in the referendum, are to be decided. Indications are that the referendum will be held in Scotland and Wales only, some time in the autumn.

Ministers remained adamant that the devolution legislation, which will be complete its four-day second reading in the Commons last night, must go through all its Parliamentary processes before the referendum is held, but they believe that yesterday's pledge will take much of the sting out of Labour backbench opposition to the Bill.

It is possible that Scotland will vote in favour of the devolution proposals in the Bill and that Wales will vote against. But Mr. John Smith, Minister of State at the Privy Council Office, told that this situation could be met without difficulty if it occurred.

The announcement of a referendum came after a Cabinet meeting when Ministers were given a warning that there was a danger that the Bill could be lost at the House of Commons. Commons amendment refusing to back the legislation unless a referendum were proposed.

Had Mr. George Thomas, the Speaker, chosen the amendment, signed by more than 150 MPs, and no promise on a referendum had been given, there was every prospect that the Bill would have been lost on procedural grounds.

Ministers preferred to bow immediately to pressure for a

Rejection

Some Ministers and Tory leaders are known to favour a series of questions including one on whether the people of Scotland favour total independence. The hope would be that an overwhelming majority would vote for devolution, but continuing union with the rest of the U.K. This would have the effect of undermining the cause of the Scottish National Party.

The final day of the second reading debate showed the depth of the division in the Conservative Party over the shadow Cabinet's total opposition to the Bill and declining commitment to any form of devolution.

In a forceful speech restating his belief in a meaningful degree of devolved power to Scotland, Mr. Edward Heath confirmed his rejection of the shadow Cabinet's three-line whip in opposition to the Bill. He declared firmly that he would not vote against the second reading.

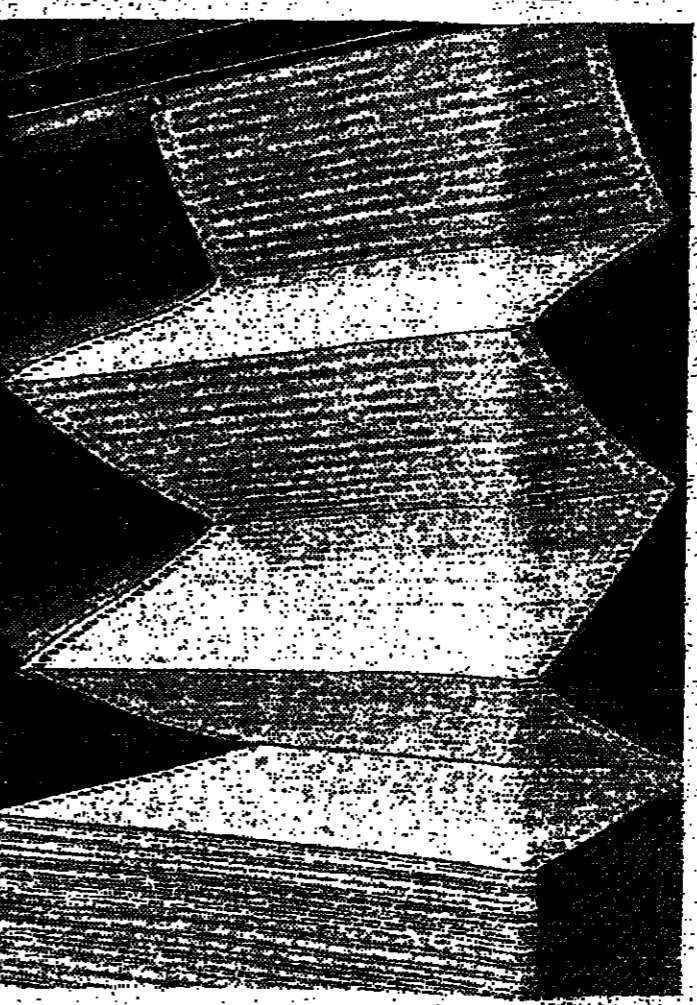
Mr. John Corrie, MP for Bute and North Arris, resigned as Scottish Tory whip last night after having had a previous offer to resign rejected by Mrs. Thatcher. Mr. Corrie's staunch pro-devolutionist, said in a statement.

Continued on Back Page
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		Int'l. Company News	22	Unit Trusts	25
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		Local News	22	World	25
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		Lot	22	World Value of \$	25

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Dec 17 1976

by NIGEL ANDREWS

an Errol Flynn rope swing, which rather than hurling him bodily at his victim, swings him clear across the room and out through the window the other side.

It is no surprise that among other accolades, Inspector Couseau has been honoured with "immortality" in a cartoon series. He has the classic attitude of an animation hero—indifference, apathy, as much as in his own incompetence. Couseau's comic appeal lies in the slow burn emotional devastation he causes in those around him. Lom's demented villain is in this respect a perfect foil; and although his demise is the result of his own weight to the makers' insistence that this will be the last of the Panther series, time and box office receipts may yet find the means for a resurrection.

★

Murdoch Man. John Schlesinger's new thriller set in New York, is a film constructed almost entirely of gimmicks. Gimmickery has dictated the

Laurence Olivier and henchman
 'Marathon' director

by B. A. YOUNG

if you exclude some of the traditional Aframerican songs that have been pressed into assistance — a lovely romantic number by Ron Grainer called "Look on me with a lovin' eye."

Cindy's ugly sisters are taken by Felix Rice and Eric Roberts, two good black cabaret artists. (Mr. Roberts should not sneak extempore laughs; you can do

if you exclude some of the traditional African-American songs that have been pressed into assistance — a lovely romantic number by Ron Grainer called "Look on me with a lovin' eye."

Felix's ugly sisters are taken by Cindy Rice and Eric Roberts. The two go to the same acting school (Mr. Roberts should not sneek extra-gordere laughs; you can do that in cabaret but not on the stage). Basically, Eric Roberts is the funny one. Felix Rice his feed, but together they make a team: one of their songs got an Oscar nomination, a common theme for last night.

The third man is Clarke Peters, an accomplished black actor ranging instantly from happy young Peanuts (Buttins to us) to a grumpy old Regent, singing till Felix Rice, who is also Prince Charmin' Jones, is old enough to accede.

As this operetta lasts only a little over an hour, it is preceded by a concert of songs, some original, some from recent shows, to introduce the company to the audience. This does, in a way, but it's an awfully makeshift way to start an evening. However, Mr. Sherria no doubt knows his audiences: for the next half hour the songs lead to complete and total satisfaction, latecomers who dropped in at their own convenience. At least they took my mind off Ira Gershwin's appalling lyric to "My Cousin in Milwaukee," a little bit of the misanthropic rhyming dictionary, beside which the words of Brahms and Sherria acquired a Shakespearean glow.

by MICHAEL COVENEY

the murderers all join. The first murderer, of course, turns out to be good old Uncle Olaf, the babes' long lost father, mysteriously and inexplicably "rescued from the foam." Byron sub-titles his extravaganza with the words "and the Good Little Fairy Birds," who, under the command of a much-cheered Queen, take part of the action in the wood. Once again, Miss Doreen Hermitage's staging of the musical numbers is delightfully humorous and economic. In an excellent company, James Bree as Sir Rowland, Liz Moscrop as a reluctant Cuckoo Bird and Eleanor McCready as the historical, controlled Amy, are outstanding.

National Gallery Christmas Quiz

The National Gallery is organising a Christmas quiz—entertainment for both adults and children. Called "Get the Picture?", it will be held in the Moving Picture Room, a small "cinema" in the Gallery's Extension. Lasting about 30 minutes, it will be shown continuously from 11 a.m. to 4.30 p.m., Tuesdays to Saturdays inclusive, from now until January 15, 1977, except when the Gallery is closed over Christmas (December 24-28 and January 1).

Marathon Man is the most miserabilistic attempt yet to cash in on to-day's flourishing celluloid vogue for Nazis and all things Nazi. Schlesinger's character is a sorry creature, rich in detail (based by William Goldman on his own novel) by playing up the film's cloak-and-dagger set pieces at the expense of any sort of coherent plotting; and by leaving no exotic locale unturned (the Champs Elysees in Paris, the Lincoln Centre and Brooklyn Bridge in New York) in his attempt to set the sweaty character and chicanery of his characters against a series of eye-catching backdrops.

But there are so many implausibilities in the film's staging and so many loose connections in its plotting, that even potentially electric scenes like the one in which Oliver sets about torturing Hoffman with a dentist's pick, splutter and collapse under the weight of their own confusion and their own supply from the main narrative. It is typical of the fitful logic of the storyline that the hero's epony-

brated in scenes of him jogtramping along the East River, proving almost completely immune to the seducing no purpose but to give Hoffman an extra yard of peace and state of mind he makes a dramatic getaway from his persecutor's hideout. Schlesinger's American period began promisingly enough eight years ago with *Midnight Cowboy*: but with *Marathon Man* following close on the heels of the lamentable *Days of the Locust*, it is perhaps time the British director thought about another change of scene.

The *Ritz* is set in a New York gay sauna, where the love that once dared not speak its name now shrieks it several decibels above the pain level. Assailed on one side by the devy-eyed cuteness of *Saturday Night* at the Baths and on the other by the more sophisticated, but no less the flimsy, unattractive quality of the *Algonquin* unfamiliar with these pleasure palaces of the 'seventies is likely to wonder where, in the gap between two equally unalleviating versions, the truth lies. He can be assured that it lies nowhere near The *Ritz*: in which a multi-storey Art Deco building is the setting for a comedy of mistaken identity and multiple entendres that one hopes worked more convincingly on the Broadway stage

by MAX LOPPERT

young artists of to-day, with a somewhat parochial slant towards local singers (Anne Pashley but not Julia Varady, Gillian Knight but not Mignon Dunn. Forbes Robinson but not Roger Soyoy or Nicola Ghiuselev etc. etc.) and an unfathomable interest in semi-notable 'Cana-

young artists of today" with a "strong bias towards local singers (Annette Pastley but not Julia Varady, Gillian Knight but not Mignon Dunn, Frances Robinson but not Roger Sover, or even the "unfathomable" interest in semi-notable "Canadian baritones" (Bernard Turgeon, Claude Corbett, Alvan Monk) at the expense of several other interesting singers (Cornell MacLean, Niemsegg, Zoltan Kiegemenj). The spoty survey of singers of the past was intentional, since the book was written by Fernando de Giuseppe. Annette really contribute less significantly to the "operatic art" than Lucienne Muratore or Arthur Caron?

The inadequate treatment of substantial aspects of 20th-century opera is more regrettable than fault. Opera itself is broadly defined in Mr. Orrey's introduction.

tion as a "theatrical presentation rather than illuminated by music," a definition wide enough to hold opera, musicals, operetta, and the musical. But what if we insist that music must play a significant, unimportant, musico-dramatic role? Is it a phenomenon of which there is no trace in mention. (So Henze's *Floss der Medusa* and *Cubana* are called nonsensically, opera; there is nothing on Alexander Goehr's important essays in music.) If we insist that music must be sufficient on Busotti, Berg, Britten's church parables: no attempt to trace the roots or side-effects of so influential a development. The entry on opera production surely has single most controversial feature: its insistence that there can be no performance, is pitifully thin. Nothing about opera translation. Such major omissions.

Coliseum

La traviata

by ELIZABETH

In the revival of John Copley's production of *La traviata* at the Coliseum on Wednesday, the singers of the three principal roles were all new. The performance took a little while to settle down, while vocal chords, in a chilly night, also took time to warm up—the audience, or sections of it, seemed to be suffering from consumption that galloped a great deal faster than "lalets" but from the beginning of the second act, by one of those theatrical and musical miracles that make opera so exciting, the whole thing sprang vividly to life.

The English National Opera has already presented several

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The English National Opera has already presented several excellent Violetta's since the production was new nearly four years ago: Lois McDonald has the voice, the personality, the conviction, to make one of the best. She looks elegant in David Walker's splendid dresses, and moves with an impetuous swirl of skirts that is somehow very much in character. In the duet with Germont she spins a lovely long line, floating her words, all of them audible, effortlessly on.

At Flora's party her moulding of Verdi's marvelous arching phrases is equally sensitive. *Addio del passato* and the final scene are most movingly sung.

The scenes between Violetta

sexuals, and handsome young detective (thought: but speaking for no apparent reason in a falsetto voice), and one Google Gomez, a producer-hungry cabaret singer, played with prodigious élan, but little subtlety by Rita Moreno. Trousers are dropped, censors are slammed, beds are banged under, and only the film's "permissive" setting prevents the whole exercise from seeming indistinguishable from an evening at the Theatre with Brian Rix and Company.

Piracy, long absent from our screens, makes a surprising come-back in *The Scarlet Buccaneer*: a film that might have been deep-frozen since the 1950s, that heydays of Hollywood buccaneering, were it not for some modish injections of violence in the action and a suspicion of burlesque in the performances.

Norman Bailey as Sachs and Allen Cathcart as Walther

Theatre Royal, Glasgow

by RONALD CRICHTON

Scottish Opera's first *Meister-singer*, a handsome staging made possible by substantial aid from the Standard Life Assurance Company, opened on Wednesday night at the Theatre Royal. The gusto and competence with which the company have tackled this warmhearted, affirmative work was a welcome masterpiece. It was a little doubtful if they may have been bombing in the Theatre Royal and an encouraging sign for the future. The management's ability to aid financially the production of a play which has only one side (though a necessary one) of the confidence, affection and pride already won on a pride that goes beyond the theatre, is a sign of a company that goes beyond the borders of Scotland. I shared a taxi to the theatre with a couple who had come from the event from the Midlands and who were talking of the evening for tickets since the summer.

The staging is the work of David Pountney, Scottish Opera's young and talented director of productions. His work has genererally been lively and inventive, and he is fortunate in matters of design and lighting. *This Messiaen* is unlikely to alarm or offend on any of these grounds. In the best sense it is traditional, with the music being taken as given as the risk of deterring those who want novelty, a fact all costs there is much to be said for a new approach to the repertory work, staled by routine and conservatism. It is a pity that 20 years have been given in Scotland for Pountney's direction, though the absence of what are euphemistically called "new ideas" in itself almost rates as an interesting new idea, is rather sadly conventional. He has not worked from the music and from the

Wagner's directions, and the results are mostly clear, sensible (but not undiscriminative) and absorbing. No doubt, in a more suitable context, he will return to his more subjective style.

Maria Björnsen's design is founded on the colour of warm wood, are set in a carved frame which hints at the stodge opulence of 19th century German interior design. The effect is warm and comfortable. The Church and cobbler's workshop are excellent. The street scene is marred by an inexplicable feature at the back resembling a set of stairs, or a set of stone mayspale—but this does not interfere with a splendidly lush brawl in which half the population of Nuremberg is seen to participate.

The always difficult last scene is well-managed as a popular pageant. Here the appearance

**The Entertainment
Guide is on Page 14**

lavishness of the costumes (the women with a nice touch of bosomy 19th century fullness) reaches a climax.

Several of the cast are familiar from the English National Opera's celebrated version of Norman Bailey's beautifully sung *Sachs* has if anything gained in rough, genial mellowness as royal authority. Thomas Hemslley's Beckmesser is even more finely dated than before. Gregory Denmsay, now a little too mature to be entirely convincing as David, nevertheless compels admiration for his firm if not always sweet singing of his difficult first act scene. The Pogner of David Ward,

generously - scaled - portrait -
sharply sung at first, soon
regained a commanding elo-
quence.

The American tenor, Allen
Cathcart, presents Walther with-
out a trace of the principal
characteristics which make the
role so unsympathetic. He is
unassertive, dignified, shy but
inwardly confident. Like many
Walthers, he sings the Prize
Song better in private to Strauss
than in public to the crowd.
His performance of the "Requiem"
was to be grateful for. Elizabeth
Harwood, surely the prettiest
Eva since Schwarkopf, sounded
out of sorts on Wednesday, with-
out a slight hushiness on the tone
of her voice, but she traded the
Margareta part just as Claire
Livingstone.

Alexander Gibson conducted with a leisurely confidence suggesting—what can hardly be the case—long experience of this score. Balance (once the opening was past) was good; an unusually high proportion of the German words was audible. Purcell and simply as the National Orchestra's contribution was a little disappointing, with too many patches rough or thin. The woodwind choir improved steadily, but string intonation needed urgent and determined attention. The augmented chorus excelled both in full attack and in the divided writing with which Wagner decorated his passages. One of the abiding memories of this Meisterling will be the way in which production and musical performance were so closely and sensitively coordinated as to emphasise over and over again the mastery of Wagner's constructive powers.

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هكذا من اجل

AMERICAN NEWS

Manley wins big vote of confidence in Jamaica

THE MINISTER Michael Manley and his People's National Party (PNP) have received a vote of confidence in the general election in Jamaica.

Manley said that his side victory showed that the voters rejected the PNP as "a lot of irrelevant noise".

Of the 60 seats still declared, the PNP had won 34, the opposition Jamaica Labour Party (JLP) only six.

Final result would probably be Mr. Manley 48 seats and the JLP 12, or more than double the PNP's 24 seats.

Mr. Manley enjoyed in the House.



Mr. Michael Manley

Mr. Manley, a 52-year-old fiery speaker and the son of a Jamaican hero, immediately set himself the task of solving Jamaica's most pressing problem, the wave of violence which has killed more than 200 persons on the island since January.

Seaga argued that the close ties Mr. Manley has forged with Cuba meant that the PNP would turn Jamaica into a Communist state. "Obviously," the people have rejected this in a very decisive way," Mr. Manley said.

The relationship with Cuba was not in itself the significant thing, he said. "What is significant is our relationship with the Third World of which Cuba is a part."

Political analysts said that the JLP won votes in the area around Kingston and also gained a part of the middle-class vote which traditionally goes to the PNP. But all their gains were wiped out by their failure to hold their rural strongholds, a

KINGSTON, Dec. 16.

failure which Mr. Manley put down to the land reform programme begun under the last Government.

Mr. Seaga was quick to point out that the PNP victory in terms of representation in Parliament would not be an accurate reflection of the popular vote.

With about 678,000 votes counted, the PNP had 392,200 and the JLP 285,000, a ratio which, under a proportional representation system would have given the PNP only 34 or 35 seats.

Mr. Manley, a 52-year-old fiery speaker and the son of a Jamaican hero, immediately set himself the task of solving Jamaica's most pressing problem, the wave of violence which has killed more than 200 persons on the island since January.

Argentina amnesty hopes end

BY ROBERT LINDLEY

BUENOS AIRES, Dec. 16.

ALL POSSIBILITY of a Christmas amnesty of more Argentinian political prisoners has almost certainly been ended by the death last night of ten or possibly 11 Government officials and functionaries, killed by a terrorist's bomb.

The bomb exploded in a room of the Defence Ministry's planning under-secretariat, in the centre of Buenos Aires, during a lecture there by an Army Colonel to representatives of the Defence and other Ministries. It is under-

stood that the bomb, of the fragmentation type used in the Vietnam war, wounded another 16, some of them critically. Most of the killed have been identified.

This week, the Interior Minister, Gen. Albano Harguindey, said that about 400 political prisoners would be released before the end of the year, which added to the 200 freed in October and another 200 freed last month, would bring the total released in three months to about 800.

As such, it will no doubt be welcome news to the outgoing Ford Administration, which has been predicting with less and less confidence that the "peace" is coming to an end, though it has already lasted much longer than they forecast.

However, the Commerce Department noted that the 1976 overall rise in private wages and salaries, about twice the increase in October, reflected above all the ending of the Ford Motor strike and the first month of full resumed working. The Department said that the November income received by all individuals from all sources totalled \$141.7bn., an increase of 1.1 per cent, over October's revised figure of \$140.2bn.

Meanwhile, there have been other revisions, which together present only a marginally more favourable picture of the economy than they did before. The Commerce Department said that the key index of leading economic indicators, which groups statistics together in an effort to spot future trends, rose 0.2 per cent in October and was not unchanged in September. The August and September declines were slightly reduced.

The Federal Reserve also revised its industrial production figures with mixed results. October production declined 0.4 per cent, (the preliminary figure was 0.5) while September output fell 0.3 per cent. (0.2).

\$15bn. increase in incomes is biggest for more than year

BY DAVID BELL

WASHINGTON, Dec. 16.

PERSONAL INCOME in the United States increased by \$15bn. last month in the largest rise for well over a year, the Commerce Department reported today.

This largest increase since August, 1975 reflected a jump in manufacturing payrolls of about \$4.5bn. compared with only \$300m. in October.

The strong November gain in the manufacturing sector is the result of increase in employment, average weekly hours and average hourly earnings, the Department said. Personal income increased \$11.2bn. in October.

As such, it will no doubt be welcome news to the outgoing Ford Administration, which has been predicting with less and less confidence that the "peace" is coming to an end, though it has already lasted much longer than they forecast.

Review of steel price rises started

By Our Own Correspondent

NEW YORK, Dec. 16.

ANTI-TRUST officials at the U.S. Justice Department have started a low-key preliminary review of the recent price increases by American steel makers to see if any anti-trust laws may have been violated.

Disclosure of this investigation came this morning in a Justice Department reply to a letter received from Mr. Ralph Nader, the consumer advocate. Mr. Nader had asked the authorities to investigate the price increases.

Late in November, nearly all of America's largest steel makers lifted their prices for flat-rolled steels, which go primarily to the car and consumer appliance industries. The increases, which averaged 6 per cent, and took effect on orders booked after December 21, were announced by all the companies within days of each other.

This morning a spokesman for the Justice Department stressed that this inquiry does not represent a full-scale investigation. This would not be started, he noted, unless there were stronger suspicions that the anti-trust laws might have been broken.

Since the steel price rise actually came into effect, the original furor over the industry's move had died down. While various users of the steel affected have indicated that their prices will not necessarily rise immediately, the Government's objections on inflationary grounds have been somewhat muted.

Continental Oil sacks two directors in payments row

BY STEWART FLEMING

NEW YORK, Dec. 16.

CONTINENTAL OIL, the eighth largest U.S. oil company, has abruptly dismissed two top executive directors because of their alleged knowledge of or participation in questionable domestic political payments.

The company said the two men, Mr. Wayne Glenn, the 61-year-old vice chairman of petroleum exploration and production and minerals, and Mr. Willard Burnap, withheld information about the payments from a directors' investigating committee.

It is illegal in the U.S. for corporations to use their funds for political payments.

The Conoco dismissals coincide with an emerging dispute between the Securities and Exchange Commission (SEC) and the big West Coast aerospace manufacturer about the millions of dollars the company has allegedly paid overseas to promote sales.

Boeing claims that the consultants have not done anything wrong and therefore it would be wrong to name them in the context of the SEC's investigation into covert foreign payments.

Boeing has already said that it paid nearly \$70m. in commissions to overseas sales agents since 1970, including a handful of payments to employees of foreign governments.

In yet another disclosure Philip Morris, the major international tobacco concern, told the SEC that following an internal investigation it discovered \$2.36m. of "improper" or "questionable" payments but that it had not found evidence of unlawful political contributions in the U.S. or any foreign country.

pay-offs to foreign governments.

Boeing lawyers have claimed in court that disclosure of the names of these apparently highly-placed consultants would severely damage the company's sales and lead Government-owned foreign airlines to delay or cancel decisions to buy Boeing equipment.

Claims

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Mexico cuts spending and aids investment

MEXICO CITY, Dec. 16.

ICO introduced a budget-cutting spending to the bone channelling resources into investment in agriculture and industry.

President José López Portillo, took office at the beginning of the month, said he would invest in energy, in the country's new oil fields and in the petrochemical, woodpulp and fertiliser industries.

He said the budget was in aid to help Mexico get back on its feet after the severe recession that followed the floating of the peso on August 1.

The present situation of the economy is critical but

not insuperable," said the President. "This budget is aimed at encouraging production, fighting inflation and combating inequality and unemployment."

Meanwhile, about 7,000 landless peasants to-day began a march to Mexico City aimed at persuading the Government to appropriate more big estates. Police said the marchers set out peacefully from Los Mochis in the State of Sinaloa, 950 miles north-west of the capital.

However, most of the peasants who invaded estates in Sinaloa during the past three weeks have dispersed, and fears of violence have proved unfounded, according to officials.

Canada to tighten its nuclear export policy

OTTAWA, Dec. 16.

ADA APPEARS to have decided to tighten its nuclear export policy in the wake of a controversy over the country's first export reactor sales.

A new policy, scheduled to be announced by the Department of External Affairs within the next two weeks, would restrict nuclear exports to countries that either ratified the Nuclear Proliferation Treaty or equivalent safeguards over their entire nuclear programme, policy, which could eliminate a number of countries as prospective customers, would cover exports of nuclear reactors, nuclear materials, technology and uranium.

India and Argentina, for example, would be prevented from receiving any additional nuclear exports from Canada as they were willing to apply international safeguards to their nuclear programmes. Both countries have not ratified the treaty and have to date been willing to apply internal safeguards to specific nuclear and research reactors. Argentina, which has already purchased one reactor from Canada, has expressed interest in buying a second reactor, but a controversy over sales

agents' payments for the first sale.

Under the new policy, nuclear export customers would also have to accept additional bilateral safeguards announced by Canada two years ago. In this connection, it is understood, the Canadian Government has decided to impose a uranium embargo on January 1, if necessary to force a number of uranium customer countries to accelerate implementation of acceptable safeguards. The countries which could be affected include Japan, Switzerland and members of the EC. A second six-month Canadian Government extension runs out December 31. It in effect gave the countries more than two years to meet Canada's requirements for improved safeguards.

A 10 per cent surtax on taxable incomes over \$50,000 introduced for the 1976 tax year as part of the Government's anti-inflation programme, will not be renewed for the 1977 tax year, the Government said.

The Government also said that family allowances will again be indexed to the rate of inflation from January 1. This practice was abandoned in 1976 because of the anti-inflation programme.

FEA unveils details of 8bn. oil stockpile plan

BY DAVID BELL

WASHINGTON, Dec. 16.

U.S. Federal Energy Administration has formally unveiled its plan to buy 500m. bbls of oil by the end of 1982 to establish an "embargo-proof" stockpile.

The FEA intends to invite bids from both foreign and domestic companies in the hope that competitive bidding will produce oil at below world prices. Officials were optimistic of a total cost, at current prices, of about \$8bn.

The FEA has proposed that the Government should buy oil from U.S. companies at \$11 a barrel and allow the companies to pass any remaining cost on to consumers by charging more for petrol or heating oil. That would mean the project would have a less obvious effect on the national budget, but might run into serious problems in Congress.

Work is also under way on the re-building of the strategic metals stockpile—a reversal of President Nixon's decision to let it run down. But in the case of this, and the oil reserve, officials claim that buying will be gradual and that Government actions will not drive prices up. Mr. Zareb has said he hopes some Opec members may be prepared to enter in long-term stockpile-linked contracts and he stressed that there has been no suggestion that Middle East nations might be unwilling to provide oil for the hope of keeping prices

down by competitive bidding may be a faint one. The current cost of the stockpile is based on acquiring oil at \$11.50 a barrel compared to a world price at least \$2 above this.

Officials therefore acknowledge that the stockpile may cost more than they estimated. Also, the cost of the stockpile to consumers, oil companies and the Government is becoming an issue.

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OVERSEAS NEWS

After 15 months of bitterness, the Syrian and Egyptian Presidents meet to-morrow to forge an Arab peace strategy.

Sadat, Assad in crucial talks

BY MICHAEL TINGAY IN CAIRO

THE APPEARANCE on the other well alone. Egypt faces its severest ever economic crisis. Assad's economic problems are smaller, but Syria desperately needs cash injection, while keeping the Egyptian public to tell the past 15 months of near-hysterical anti-Syrian propaganda and to welcome the Syrian leader to-morrow on his first official visit to Cairo in years.

There is no formal agenda for this crucial series of meetings where the two men will give reality to a unified Arab strategy to present first to the United States, after Mr. Jimmy Carter takes office, and later at a re-convened Geneva peace conference.

Though both sides will have delegations in attendance, Arab diplomats say Presidents Sadat and Assad will spend the coming few days in a series of talks in the same frank privacy as those when the strategy for the October 1973 War was worked out. Under such conditions tactical disputes and minor quarrels can be easily set aside.

It is widely agreed that the rapprochement between Syria and Egypt, forced on the two parties by Saudi Arabia at the Riyadh mini-summit which effectively ended the conflict in the Lebanon, has given the two leaders carte blanche in their own chosen areas. Sadat is free to continue his peace offensive as spokesman for the Arab world: Assad has a free hand in the Lebanon, where he controls the Arab deterrent force, and on the northern front of the confrontation line with Israel, where he is strengthening Syria's hand with plans for loose confederation, discussed again last week with Jordan's King Hussein.

Both men have enough on their plates to be happy leaving the

attempt to assassinate Foreign Minister Abdel Halim Khaddam illustrated.

Syria will apparently be content to let Sadat take whatever lead he wants in his diplomatic offensive. The advantage for Damascus, should Sadat and Assad succeed, could be an eventual settlement in the region. Syrian compliance with a Sadat initiative would leave Assad free to criticise should Damascus have complaints later on.

President Sadat, however, is concerned to learn at first hand the outcome of the Syrian leader's talks with King Hussein and more recently with Mr. Yassir

future status of any Palestinian entity, that disagreement is possible. Egypt wants to know how Syria sees a future Palestinian state fitting in with the confederal notions discussed with Jordan. An Egyptian official explained "we must see what Assad has up his sleeve."

Egypt is still unsure whether the strengthening of Syria's ties with Jordan should be regarded as a potential threat to Mr. Sadat's reginal status as spokesman for the Arab world. The official added: "We may support the Damascus-Amman axis, but a future confederation may be against Egyptian interests."

Some diplomats in Damascus say privately that Syria remains wary of Egypt's intentions. Will Mr. Sadat try to get a state three Sinai deal and leave Syria and the PLO in the lurch? Syrian sources in Cairo maintain that any such sleight of hand would be against Egyptian interests.



President Sadat



President Assad

Inquiry call into S. Africa deaths

By Quentin Peel JOHANNESBURG, Dec. 16.

A CALL for a judicial inquiry into the deaths of prisoners held in detention under South Africa's security laws gathered support to-day.

At least eight prisoners have died in each detention since the year-two within the past week—and an estimated 26 have died in the previous 13 years. Five of the eight committed suicide, according to police reports.

Mr. S. M. Leon, leader of the Coloured Labour Party, called for the International Commission of Jurists based in Geneva, to investigate the deaths. As an independent body of lawyers pledged to campaign for the rule of law, the Commission would be the ideal body for such an inquiry.

"I am shocked at the number of people who have died in detention," he said. "People in police custody are supposed to be under maximum protection."

The call for an inquiry, launched by the South African Institute for Race Relations, has been backed by Mr. Colin Eglin, leader of the Opposition Progressive Reform Party. To-day the Rand Daily Mail, Johannesburg's morning newspaper, gave its support, following the death of a coloured schoolmaster who fell six floors down a stairwell at security police offices in Port Elizabeth.

"Blacks frankly disbelieve the official explanations given for such deaths," the newspaper said. "The idea that people can be murdered in custody is a particularly horrible one, and in the interests of South Africa, a full inquiry is needed."

Meanwhile, Government Ministers and leading National Party politicians were speaking to meetings called throughout the country to-day to celebrate the Day of the Covenant, anniversary of the Zulu defeat at the Battle of Blood River. Mr. P. W. Botha, Minister of Defence, was a speaker at a South African Army Women's Corps, to be established in the New Year because of the growing number of women wanting to join the armed forces.

New theory on Baghdad blast

CAIRO, Dec. 16.

THE BOMB which exploded at Baghdad airport was aimed at blowing up an Egyptian airliner and its passengers in mid-air, its pilot was reported to have said here to-day.

Three people are said to have died and many were injured by the explosion in the airport customs hall only 15 minutes after the aircraft had arrived from Damascus—but it was flying half an hour ahead of schedule.

Captain Safwat Ismail, in an interview with the Cairo daily Al-Akhar, said on his return to Cairo his airliner had taken on 15 more passengers at Damascus. "Our departure from Damascus airport half-an-hour early saved the plane and its passengers from certain disaster," he was quoted as saying.

An Iraqi Government spokesman said yesterday the bomb had been put in a suitcase and slipped aboard the airliner at Damascus airport. In Damascus to-day, an official spokesman denied Iraq's allegation that Syria was responsible for the explosion. Reuters

Lebanon Cabinet embarks on reconstruction

BY HUSAN HAJAZI

THE WEEK-OLD Cabinet of Dr. Saïm al-Hoss has embarked on plans for the reconstruction of Lebanon. At its first working session yesterday three separate committees were formed: one for rebuilding demolished Government offices, another for providing reconstruction private property, and the third for giving relief assistance to Lebanese harmed by the fighting.

The Cabinet also approved a policy statement on the basis of which it will seek investment from the Lebanese Parliament, which is to meet on December 23.

Dr. al-Hoss is due to leave to-morrow for visits to Saudi

Arabia, Kuwait and the United Arab Emirates, where he is thought to be seeking initial aid of \$100m. to launch the reconstruction projects. At the Arab summit conference on Lebanon in Riyadh in October, President Elias Sani was reported to have told Arab heads of state that Lebanon would need \$3bn. to achieve complete reconstruction.

Dr. al-Hoss is thought likely to also raise the question of raising the 30,000-strong Arab deterrent force here. Arab leaders have decided to allocate \$80m. for the force for the next six months, but only \$80m. of this is said to have been paid.

Other signs that things were gradually getting back to normal was the official re-opening of business yesterday in Beirut harbour. It was also disclosed that a new civilian airport is being built in the Christian-dominated area of Hamat, about 25 miles north of here.

Meanwhile, a special four-member Arab committee, made up of the Saudi, Egyptian and Kuwaiti ambassadors and Syrian Minister of State, met here to-day for the second time this week to discuss the collection of heavy weapons from rival Lebanese groups, including Palestinian guerrillas. The three

ambassadors discussed the issue yesterday with guerrilla leader Yassir Arafat. They were reported to have been told the commandos had already moved their heavy weapons to the south of the country.

The daily newspaper An-Nahar reported that the heavy weapons in Palestinian hands may be used by the Arab states as a means to exercise pressure on Israel during any projected Middle East negotiations. Syria denied to-day the Iraqi allegation that it was responsible for Tuesday night's bomb explosion at Baghdad airport, which killed three people, Reuters reports from Damascus.

Japanese trade balance shows \$540m. surplus

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, Dec. 16.

JAPAN REGISTERED a visible trade surplus of \$540m. in November, or less than half the surplus for Japan.

But, he added, "we should be realistic towards a world-wide trend to declare such zones." We may have to consider a rather flexible attitude."

Mr. Kodama's lawyer notified the court the same day in writing that he would be bed-ridden for at least three more months. Mr. Kodama (65) was indicted last summer for violation of the income tax law and the foreign exchange and foreign trade control law in connection with money allegedly received from Lockheed. He has avoided arrest so far on the grounds of illness although prosecutors have questioned him repeatedly at his bedside.

Despite the halving of the trade surplus, Japan's balance of payments was in surplus by \$280m. during November whereas in October there was an overall deficit of \$98m. The shift back to surplus reflects a strongly favourable surplus for a long time (the surplus by \$260m.) and a reduced long-term capital deficit (in the red by \$130m.). This is

much as at the International Law of the Sea conference to be held next May.

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Poll defeat means a major shakeup for Communists

BY DOUGLAS RAMSEY IN TOKYO

THE STUNNING defeat of the Japanese Communist Party (JCP) at the polls this month was almost overlooked in the fracas following the Liberal Democratic Party's failure to retain its majority in the Lower House and subsequent talk of Prime Minister Tanaka's resignation, expected to be announced to-day.

But the LDP got its majority of 258 by recruiting nine independents and the Opposition parties, up only 51 candidates and managed, with much lighter nationwide support, to get 29 of them elected to parliament.

Contesting seats in all electoral districts is nothing new for the JCP. In 1972 the party put up 127 candidates, winning only 12 seats in 30 of its districts. Yet that year 38 of its candidates succeeded and it became the second largest opposition party.

Obviously the party's attempts earlier this year to mimic Euro-communism and drop key Marxist words from its vocabulary did not lose it many voters so there may be room to stray further from doctrinaire Communism.

Other errors—or circumstances—also account for the JCP's electoral defeat. The party was hurt by the emergence of a new political party, ironically, Mr. Yohsei Kono's conservative NLC took popular votes from LDP candidates but in several constituencies, especially the new urban ones, did not push them into second place while the JCP, which in most cases held marginal seats, was hardest hit by the existence of six or five parties vying for the three to five seats allocated to each district.

Thus, in the six newly-created constituencies where the JCP should have gone to second place because of its urban, working class appeal, the party took none of the 30 new seats—yet the LDP managed to win five seats and the NLC got four. (Komeito won three, the JSP did best with one in each

district, and the DSP won two.) The rising popularity of the semi-religious Komeito also displaced marginal communist incumbents. The Komeito emerged as a strong party in the 1969 elections urging a "clean government," but dropped from 47 to 29 seats after the 1972 elections. Its chief rival for marginal seats, the JCP, increased its seats from 14 to 35 in that election, its small size, thus, the apathy of Komeito voters. This time, however, the Komeito pulled in 10.9 per cent of the vote as in 1969 against 8.3 per cent share in 1972.

As a result, the Komeito regained several seats lost to the JCP in 1972. The defeat—largely due to an over-extended campaign, redistribution, the emergence of a sixth major party, and the revival of Komeito—should force the JCP into a review of its electoral strategy. Obviously its attempts earlier this year to mimic Euro-communism and drop key Marxist words from its party vocabulary did not make it more palatable to the Japanese electorate, nor lose it many voters, so there may be room to stray further from doctrinaire Communism.

Certainly the JCP has already begun openly to question its own staunch opposition to the Japan-U.S. defence pact, although it is not yet ready to accept it as Italy's Sig. Berlinguer has accepted Nato.

The real changes may, however, come at the grassroots organisation to back it up. The JSP has worked hand-in-hand with Japan's small unions, the Sohyo, for years. This was the first election in which the second largest union, Domei, put its entire organisation to work for the moderate Democratic Socialists. The message is clear: the JCP needs union support. It is the Communist Party's failure to command the unions and workers' allegiance that, in Japan, keeps the far-left alternative far out of sight. But not out of the minds of more than 10 per cent of Japanese voters.

India warning to industry

By K. K. Sharma

NEW DELHI, Dec. 16. INDIA'S FINANCE Minister, Mr. C. Subramaniam, has rejected industry's demands for more fiscal concessions and has warned industrialists that unless they stimulate production because of recent incentives the Government would be forced to take other measures.

These he did not specify but in a meeting with representatives of industry he said the economy was poised for rapid expansion and the country could not miss the opportunity of giving it a meaningful push. The Government was prepared to give help in certain critical areas but this could depend on a suitable response from the private sector.

The Minister pointed out that public investment has been substantially raised but production in the private sector has not accelerated correspondingly.

Israeli inflation grows

BY L. DANIEL

JERUSALEM, Dec. 16.

LATEST FIGURES from the Israeli Bureau of Statistics show a 4.5 per cent rise in the cost of living index during November. Bringing the total increase for the first 11 months of 1976 to 34.4 per cent.

This index, based on consumption patterns in 1968, is far from reflecting the real rise in the cost of living. This has been acknowledged by the Bureau, now engaged in revising the composition of the "basket" on which the index is based.

A rise of 2.5-3 per cent is forecast for this month, and the Government's capitulations to wage demands in the public sector (11 months before general elections) will result in the continuation of the current trend in 1977, with heavy recourse to the currency printing presses likely. Other statistics released to-day show an increase in unemployment from 3.2 to 4 per cent of the Israeli labour force (to

Australia to cut spending

CANNBERRA, Dec. 16.

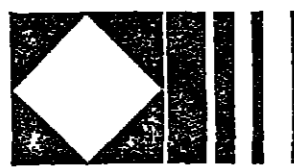
AUSTRALIAN TREASURER Phillip Lynch announced to-day that Government spending will be cut by \$250m. The cuts will be achieved mainly by deferring expenditure.

They are designed to offset the inflationary effects of Australia's 17.5 per cent devaluation of its currency two weeks ago. Subsequent small revaluations, however, have reduced the fall to 14.5 per cent.

Meanwhile in New Zealand, Minister of State, Mr. Keith Holyoake has warned that continuation of sporting ties with South Africa would seriously jeopardise New Zealand's international reputation. Reuters

ON OTHER PAGES

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SWISS BANK CORPORATION (OVERSEAS)

ABD SECURITIES CORPORATION

ALGEMENE BANK NEDERLAND N.V.

ARAB FINANCE CORPORATION S.A.L.

BANCO DI ROMA

BANKHAUS GEBROEDER BETHMANN

THE BANK OF TOKYO (HOLLAND) N.V.

BANQUE GENERALE DU LUXEMBOURG S.A.

BANQUE NATIONALE DE PARIS

BARCLAYS BANK INTERNATIONAL

BAYERISCHE VEREINSBANK

BERLINER BANK

CITICORP INTERNATIONAL BANK

COMPAGNIE LUXEMBOURGEOISE

DEUTSCHE BANK S.A.

CREDITANSTALT-BANKVEREIN

DEN NORSKE CREDITBANK

DE BANK

DEUTSCHE GENOSSENSCHAFTSBANK

DILLON, READ OVERSEAS CORPORATION

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GIROZENTRALE UND BANK DER

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GIROZENTRALE

HESSISCHE LANDESBANK

GIROZENTRALE

INDUSTRIEBANK VON JAPAN (DEUTSCHLAND)

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KUWAIT FOREIGN TRADING

CONTRACTING AND INVESTMENT CO.

LANDESBANK RHEINLAND-PFALZ

GIROZENTRALE

MERCK, FINCK & CO.

MORGAN GRIFFITH & CO.

NORDDEUTSCHE HYPOTHEKEN- UND

WECHSELBANK

ORION BANK

RABOMERICA INTERNATIONAL BANK N.V.

J. HENRY SCHROEDER WAGG & CO.

SMITH BARNEY, HARRIS UPHAM & CO.

SOCIETE SECUANAISE DE BANQUE

SUN HUNG KAI INTERNATIONAL

UNION BANK OF SWITZERLAND (SECURITIES)

WARDLEY

WOOD GUNDE

AFIN S.p.A.

A. E. JAMES & CO.

BANCA COMMERCIALE ITALIANA

BANKERS TRUST INTERNATIONAL

BANKHAUS MAX PLESSA & CO.

BANQUE ARABE ET INTERNATIONALE

D'INVESTISSEMENT (S.A.L.)

BANQUE DE L'INDOCHINE ET DE SEUEZ

BANQUE DE PARIS ET DES PAYS-BAS

BAYERISCHE HYPOTHEKEN- UND

WECHSELBANK

JOH. BERENBERG, GOESLER & CO.

BERLINER HANDELS- UND FRANKFURTER BANK

COMMERZBANK

ANTENNESBANK

CREDIT COMMERCIAL DE FRANCE

DELBROCK & CO.

DEUTSCH-BOHEMISCHE BANK

ANTENNESBANK

DEUTSCHE GIROZENTRALE

-DEUTSCHE KOMMUNALBANK

DOMINION SECURITIES CORPORATION

HARRIS & PARTNERS

EURO-LATINAMERICAN BANK

GROUPEMENT DES BANQUIERS PRIVES

GENEVOIS

HARDY-SLOMAN BANK GMBH

HILL, SAMUEL & CO.

ISTITUTO BANCARIO SAN PAOLO DI TORINO

KREIETBANK N.V.

KUWAIT INTERNATIONAL INVESTMENT CO.

S.A.L.

LONDON MULTINATIONAL BANK

(UNDERWRITERS)

MERRILL LYNCH INTERNATIONAL & CO.

MORGAN STANLEY INTERNATIONAL

NORDDEUTSCHE LANDESBANK

GIROZENTRALE

PIERSON, HELDRING & PIERSON N.V.

REUSCHEL & CO.

SCHROEDER, MÜNCHMEYER, HENGST & CO.

SOCIETE GENERALE

STRAUSS, TURNBULL & CO.

SVENSKA HANDELSBANKEN

VEREINS- UND WESTBANK

ANTENNESBANK

WESTDEUTSCHE LANDESBANK

GIROZENTRALE

ALAHJI BANK OF KUWAIT (K.S.C.)

AMEX BANK

BANCA NAZIONALE DEL LAVORO

BANKHAUS H. AUFHAUSER

BANKHAUS HERMANN LAMPE

BANQUE FRANCAISE

DU COMMERCE EXTERIEUR

BANQUE INTERNATIONALE A

LUXEMBOURG S.A.

BANQUE POPULAIRE SUISSE S.A. LUXEMBOURG

BAYERISCHE LANDESBANK

GIROZENTRALE

BERGEN BANK

CAPITALFIN INTERNATIONALE S.p.A.

COMPAGNIE DE BANQUE ET

D'INVESTISSEMENT (UNDERWRITERS) S.A.

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DEUTSCHE BANK

ANTENNESBANK

DEUTSCHE LANDESBANK

ANTENNESBANK

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INCORPORATED

EUROPEAN BRAZILIAN BANK LIMITED

EUROBANK

THE GULF BANK (K.S.C.)

GEORG HAUCK & SOHN

E. F. HUTTON & CO. N.V.

KIDDER, PEABODY INTERNATIONAL

KREIETBANK S.A. LUXEMBOURGEOISE

KUWAIT PACIFIC FINANCE COMPANY

LIMITED

MANUFACTURERS HANOVER

B. METZLER SEEL, SOHN & CO.

MULTI BANKING CORPORATION (OVERSEAS)

LIMITED

OSTERREICHISCHE LANDESBANK

ANTENNESBANK

PKBANKEN

SALOMON BROTHERS INTERNATIONAL

SKANDINAVISKA ENSKILDA BANKEN

SOCIETE GENERALE DE BANQUE S.A.

SUMITOMO FINANCE INTERNATIONAL

Costs escalate at Lonrho's sugar project in Sudan

The company has paid up capital of Sndangse \$30m. (\$16m.) and the Arab Investment Company has lent \$15.75m. A Kenana source has been clear that the extra finance for the project will be forthcoming either through increased equity or syndicated loans from the

that the resignations were in any way connected with the fortunes of the sugar project and Lauthro said at the time that the two had left the board because of the pressure of their other interests.

Sheikh Nasser, the son of the Kuwaiti Minister of Foreign Affairs, controls a block of London shares through Gulf Fisheries, which in October made a 22.9 per cent. of the equity through Gulf Fisheries, which also has a small separate stake in Kenana. Mr. Osman is managing director of Gulf International, in which Sheikh Nasser has a large stake and which has made investments in Sudan, backed by Kuwaiti money.

Because of the very weak indus-

are believed to have contributed to the resignation of the site manager, Mr. Arthur Beevers. Lonrho has now posted its chief sugar engineer, Mr. Rene Nono, to the site, 100 miles south of Khartoum, while Mr. Ron Colley, who has been coordinating operations in Khartoum, is also to move to the site.

Although the construction of the irrigation canal and the planting of sugar cane, are apparently up to schedule, the principal victim of the delays is the construction of the sugarcane factory, whose foundation stones were laid behind a security wall in 1981. The equipment for the factory is being supplied by the French concern Technip and Nischo Iwai.

Further agreements were also concluded, involving ICI and Shell for increased trade in chemicals, Anglo-Chemicals for guaranteed supplies of Polish copper on a long term basis, and grants for Polish timber supplies also on a long term basis.

At present the Soviet Union, with a population of 250m., produces very little more pulp, paper and board than Sweden.

The construction of a pulp and paper combine in Siberia currently spans three Five-Year Plans, according to the institute, which argues that a swift expansion of the industry must start immediately after the end of the current plan in 1980. Some 14-16.5bn. roubles would have to be invested during the '80s and the present rate of construction more than doubled.

This assumes that the industry

The Soviet Union is currently a net exporter of pulp and paper products. While the enlargement of capacity is expected to lead to an increase in foreign trade, the net surplus volume should remain largely unchanged, according to DIROSAB. Thus, it believes, the Soviet Union will be in no position in the near future to take over the Nordic producers' role as the major suppliers of pulp to Western Europe.

Sig. Ossola, formerly the deputy director-general at the Bank of Italy, has had meetings this week with Mr. Necmettin Erbakan, one of three deputy Turkish Prime Ministers, Mr. Georges Gaston Marin, the Romanian Minister with responsibility for prices, and the Soviet deputy Minister for Foreign Trade, M. Komarov.

The visit of the leader of Turkey's National Salvation Party, Mr. Erbakan, is in some ways the most interesting, since he has previously spoken out strongly against foreign investment in Turkey, although there are indications now that he accepts at least the necessity for buying in new technology in

order to advance Turkey's continued industrialisation drive.

The opportunities for expanding in the short term direct bilateral trade with Italy must be somewhat limited, however, since Turkey has both a chronic deficit on foreign trade account and a continuous shortage of hard currency. On the other hand, Mr. Erbakan, whose party controls the Industry Ministry in Ankara and thus has an obvious influence on the development of Turkey's economy, is now known to be interested in concluding bilateral deals with a number of Italian state-sector companies, notably in heavy engineering and petrochemicals.

IR LONDON Transport
is flying to Venezuela
the next few weeks
on the establishment of
urban transport authority
Caracas. The five-year
programme
led by London Transport
national, the subsidiary
pany which was set up
er this year to market
don Transport expertise
ss the world.

resident team will be
ed up by other exper
London Transport will
visit Caracas on short-term
ements as necessary.
out particular tasks
ndon Transport Inter
onal's managing director
Arthur Knight, said: "The
most important overseas
job we have yet
erking."

Potential British and Continental suppliers have been invited, through the London-based Off-shore Centre, to visit Western Australia to examine development opportunities, which include oil exploration and the supply of a wide range of plant and equipment.

Philippines

FINANCIAL TIMES REPORTER

The centre, which has a wide membership in the oil and process plant industries, said yesterday that its first mission, to Egypt, had produced a favourable response and was likely to generate a number of contracts. Further missions to India, the Middle East, South America and the Far East were planned.

and a mission to the U.K. and France early next year to increase imports of motor parts from both countries, chairman of the Japan Automobile Manufacturers' Association, Mr. Eiji Toyoda, who is also president of private Motor announced

He said the date and members of the mission have yet to be decided, but it will aim to explore the possibility of increasing Japanese purchases of motor cars from the U.K. and France. Mr. Toyoda said the buying mission is likely to go to the U.K. in late February and then to France to join a Japanese Government survey group to be sent in March for a similar purpose.

It is felt that the experience gained by European countries in the development of North Sea oil will provide the necessary expertise to play a major part in the programme.

About \$42bn. is expected to be spent on bringing gas ashore and the remaining investment will be in projects still being considered, which may include

Balfour Beatty has been awarded two sub contracts with over £9m. for the £22m. turn key contract awarded in the Philippines to Klockner INA Industrial Plant of the U.K. for the third and final phase of a copper concentrate plant for Batong Buhay Gold Mines of Manila.

Balfour Beatty Engineering will undertake procurement of

equipment and materials for effluent treatment plant and miscellaneous mining equipment. Balfour Beatty Power Construction will undertake design, supply and supervision of erection of power transmission line and associated sub-station. Commissioning of the third phase is scheduled for autumn 1979.

SNAM Progetti, the engineering subsidiary of the Italian state-aided oil company ENI, has won a contract to lay a 331 km gas pipeline in Oman.

was shorter than most. It is understood the contract duration ranged up to 22 months in one case, while prices varied enormously from around \$28m. to

According to reliable commercial sources, the successful bid of \$31m. was won against those of eight other international contractors, including McDermott Hudson of the U.S., Sogex of the Lebanon, and Preuss of West Germany.

Meanwhile Snam Progetti has signed two contracts with the Fertilizers Corporation of India worth a combined \$45m. to supply an ammonia plant with a daily capacity of 900 tonnes and

The Italians did not quote the lowest price, but their tender involved a working period which

a urea plant with a daily capacity of 1,000 tonnes to be built near Bombay.



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FT3 ARCHITECTS IN SPACE

BY RAY DAETER, ENERGY CORRESPONDENT

Petrol and Derv prices might rise by more than this average for two reasons: first, value added tax and dealer margins would need to be adjusted; second, prices might be expected in a few days, and will be followed quickly by similar declarations. The market leaders Esso, Shell and BP, and all the major groups, have applied for increases.

BY ERIC SHORT

Reversionary bonuses on traditional life contracts, paid every year, are mainly funded from the investment income of the life fund, while terminal bonuses are paid out of capital profits when the contract goes off the books, either by the death of the investor or by the policy's reversion maturity.

Mr. Fraser warned that unless the situation improved the Government had an obligation to legislate for clear and unambiguous price display.

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

The Department of Trade is in a very difficult position. It is insisting on more—the strict control of capacity—the number of seats offered—on the route as the basis for a new Anglo-American air agreement. The Department is not aware of Skytrain concept of no-reservations, low-fare services across the North Atlantic is fully vindicated.

By Stuart Alexander

more, and one of the conditions of the offer, which runs until January 14, is that the voucher be accompanied by at least a further 500 coupons collected in the normal way from packets.

Carreras Rothmans has announced that it intends to give up coupon and trading stamp incentives, which is why Gallahers have taken this initiative to appeal for a switch in brand

BY MICHAEL THOMPSON-NOEL

The commission was told: "The Board considers that the very magnitude of the sums nowadays entrusted by the public to the industry—well over £200 a year, by an increasing an enormous total—demands a proper public oversight and all aspects of gambling and codification or harmonization of rules governing various forms of gambling."

BY OUR GLASGOW CORRESPONDENT

The Receiver, Mr. Matthew Jones, is issuing notices to the 128 employees, although after the trade union representations he has agreed to keep on 21 apprentices. This would leave about 380 new company which will inherit Bastie's order book for 40 sets of steering gear, provided by a Government loan.

BY ADRIAN HAMILTON

This attitude has already brought forward a series of specific industry aid schemes such as ferrous foundries, or

The new terminal bonus rate is 0.6 per cent. of the maturity value for each policy year except the first five, compared with 0.8 per cent. previously. This means that a policy with the sum assured and existing bonuses totalling £1,000 will get a terminal bonus of £120, making a value of £1,120, instead of £160 for a value of £1160.

FINANCIAL TIMES REPORTER

COURTAULDS HAS brought forward to to-morrow the proposed closure of its Skelmersdale weaving factory employing about 1,000 people. The plant was due to close next month. Earlier closure was decided on at a meeting of the management and unions. The plant has lost more than £6m. since it was opened in 1988. Workers decided last week not to oppose further the company's decision announced at the beginning of November. Efforts are being concentrated instead on finding a buyer for the plant.

By Stuart Alexander

One benefit of Mr. Healey's measures that emerged yesterday was that the duty drawback on cigarettes which are exported also will rise by 10 per cent, and, as the difference between the duty paid and the duty reclaimed results in a profit for the manufacturers because of the effect of processing, this means that their profit will rise by 10 per cent.

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

The federation reckons that, with the private housing sector also facing a sharp fall in work, the total effect will be a reduction of 15-20 per cent in the industry's output between 1977 and 1979.

The Limousin forest that lies close by Jarnac, the home of Hine Cognac, is vital to Hine's unique flavour. Because the forest provides the special oak used in the casks wherein Hine Cognacs mature. It's this ageing in the wood that gives Cognacs their unique quality. Which is why a heart of oak is so important to produce the Cognac that Cognac drinkers prefer—Hine.

Hine.
The connoisseurs'
Cognac.



The Chancellor's mini-Budget was regarded as generally disappointing after the government's announcement yesterday by stockbroker analysts. There was concern over the apparently high monetary targets set by the measures and the lack of a significant move to switch resources from the public to the private sector.

Dr. Paul Nield, of Phillips and Drew, said that targets for domestic credit expansion over the next two years had been set at too high a level. "It is not a monetary expansion in terms of the wider definition of money stock (M3) of well over 10 per cent a year both in 1977-78 and in the following year."

At the same time, it was "worrying that it has not yet been possible to make a more definite statement about a 'safety net' for sterling balances."

Phillips and Drew expected sterling to remain weak in the short term and, as a result, the equity and gilt-edged markets likely to remain uncertain. The broken market for sterling had two main areas a firmer commitment would have been welcome: on sterling balances and on the balance of resources. "The package clearly does not represent a significant shift in the percentage proportion of resources from the public to the private sector," Dr. Nield said.

Similar views were expressed by Kenneth Moore and Moore, with the comment that "the monetary supply targets implied by the domestic credit expansion are much higher than most analysts were anticipating. The safety net for sterling balances, which 'the jobs at risk are still jobs in the private sector.'"

Hoare Govett said: "The financial community is likely now to feel that the authorities have taken a significant step towards rather than decisive action."

BY BOY HODSON

THERE IS not likely to be any shortage of wines and spirits as a result of the package, but the drink trade sees Mr. Healey's measures as inconvenient and troublesome to trading at this season of the year.

The trade's complaints centre on the Government restrictions on withdrawals from bonded warehouses. The restrictions are being imposed, following the changes in duty levels, so that supplies may be maintained without the State suffering from a rush to withdraw liquor at the lower duty rates between now and January 1. Suppliers have been told that the withdrawals from bond will be restricted to 40 per cent of the amount drawn over the first 15 days of December, a period of high trading volume for the Christmas business.

A strong complaint about the volume of administrative work that companies will be involved in at this their busiest time of the year was made yesterday by Mr. George Bull, chairman of the Wine and Spirit Association. He called the Government measures a nightmare paper chase, and suggested that Mr. Healey, asking for the drink tax

BY MARGARET REID

THE BURMAH Oil Shareholders. The Bank of England Action Group yesterday said it "a 20 per cent stake in" favoured the Government selling mainly held by Burnham stock from its own 48 per cent 178m at the depressed holding in British Petroleum—providing early last year rather than from the 21 per cent of the rescue operation bought by the Bank of England Burnham.

on August 26st, years ago—and said. The interest is now being outlined in nearly £400m more. But Wednesday's economic package said the Bank has

The committee said it believed the shares at about is the latter procedure would be purchase price.

the correct one and it urged Mr. BP shares yesterday Alastair Down, Burnham's chair—up to 728p, at which step, to take every possible legal 17 per cent holding, a means to ensure that there should Government envisaged the no disposal of any of the BP from the former Burnham shareholding of 20 per cent of the company in the United Kingdom until the trial of the action from its own 48 per cent.

action between Burnham Oil and interest, is valued in the the Bank... at 575p.

SNOW REPORT

Tough plans
to reduce
rent arrears

BARNSELY Council in Yorkshire may crack down on tenants in arrears by allowing bailiffs to take furniture, in lieu of rent. The council have been criticised for reducing a record of £174,000 rent arrears, which councillors fear could rise even higher.

	Depth (cm.)	State of Use
SWITZERLAND		
Aardbees	40-50	Purple
Aronia	83-100	Purple
Bruynwylde	100-105	Purple
Chompary	35-100	Purple
Chypre	100-105	Purple
Dawson	70-140	Purple
Engelberg	50-100	Purple
Films	40-100	Purple
Flower	100-105	Purple
Gesand	40-120	Purple
Kanderberg	100-120	Purple
Kloster	100-120	Purple
Leuch	65-100	Purple
See Diablen	100-105	Purple
Leuch	70-100	Purple
Potresina	50-100	Purple
Sandmosses	65-120	Purple
St. Peter	45-100	Purple
Vaubers	60-120	Purple
Villars	40-120	Purple
Weggen	40-100	Purple
Whidhats	30-120	Purple

If furniture was "not worth selling," council officials would have to ask for a court order to leave rental stopped from wages under proposals drawn up by Mr. Geoff Maslin Barnsley's assistant waste director.

After the end of the eviction had to be reached, unit families would be rehoused in standard accommodation or council-owned caravans. And unless a £5.50-a-week charge was paid for gas and electricity the services would be cut off from the caravans.

The management sub-committee will seek full council approval for the proposals later

S. Martin 67 98 Peds
St. George's 61 98 Peds
Villars 60 98 Peds
Wempan 41 38 Peds
Wilkinsons 50 286 Peds
Zermatt 61 98 Peds

SCOTLAND

Carrington: Male runs on level run complete, all other levels run. Lower slopes turn down hill. Vertical drop at access roads clear, 2,900 ft.

Glen Shee Main runs a few miles north of Carrington. All slopes are steep. Vertical drop at access roads, hard-packed at times, 1,900 ft.; access roads clear, 2,900 ft.

Glencow Valley: A few low ridges broken. Powder snow on lower slopes limited cover; powder more on a third base than on second base.

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our termin
acts soon
ing skills
£28m. EE
or Britain
Corafin
hole st
energy
Chilean G
Sterling

HOME NEWS

Prospect of widespread bread price war unlikely

ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

LAST of the three major groups said yesterday would not raise its basic trade discounts on bread. The Department of the decision to remove the statutory limit of 22½ per cent. from January 4.

But since then, both the major unions in the industry have threatened not to handle bread being sold at a big discount, while the bakers have, by publicly announcing their terms, made it much more difficult for retailers to trade one baker off against another.

Bread industry management and unions were yesterday believed to be discussing the situation at a meeting of the joint negotiating committee.

Though there seems to be some small disagreement between the two sides as to what level of discount should be tolerated, there is a general agreement that a price war would be bad for the industry.

Difficult

He also said he was introducing a new range of statutory maximum retail prices which would relate to the maximum shop price to the price at which the bread was bought from the baker, while allowing the retailer to make a small profit on bread.

Immediately, some bakers feared a price war would break out.

Coffee market to be probed

coffee market is to be probed to the Price Commission investigation. Announcing yesterday, Mr. Roy Hatfield, Secretary, said he had received letters from the price of coffee, partly in relation to the wide range in price charged in the commission would be probed. The commission would be probed. The commission would be probed. The commission would be probed.

Harbour terminal contracts soon

OUR SHIPPING CORRESPONDENT

FACTS ARE expected to be decided shortly for building a new passenger terminal for port to stand on 15 acres aimed land at the western Dover Harbour.

overport, an £8.6m. will replace the terminal at the Eastern Docks. It is to be fully operational in 1978, and is designed for a predicted increase in passengers and car traffic in the terminal buildings being used by British Rail Rover have been designed on similar principles to an airport terminal. A two-storey building will be divided into two sections, each with its own Customs and immigration control points, for incoming and outgoing passengers.

Teaching skills 'lost'

MICHAEL DIXON, EDUCATION CORRESPONDENT

THAN one in eight of the 20,000 newly qualified teachers unable to find school work is year qualified in mathematics and science—subjects in general there is a national shortage of teachers, according to a survey published by the National Union of Teachers.

Each of these teachers has been trained at a cost to the country of over £7,000 and it is deplorable that their talents and skills should be lost to the schools at a time when there are still thousands of oversize

Further £28m. EEC grant for Britain

OTHER £28m. in grants to European Regional Development Fund has been allocated to the U.K. by the European Commission, said Mr. Peter Carr, Secretary of State for the Environment.

Cornfield drill hole sunk in energy search

A BORE HOLE over a mile deep is being sunk in a North Dorset cornfield to find out what natural resources of energy lie beneath the soil in a 100 mile radius around Blandford.

The field, at South West Farm, Winterbourne, Kingston, was chosen as the best site for finding out the oil, natural gas and geothermal prospects of Southern England, including the English Channel and the western approaches.

The exploration is being carried out by Canadian drillers, for the Institute of Geological Sciences on behalf of the Department of Energy.

It will be the deepest bore hole they have ever drilled. The findings will enable the Government to talk to oil companies on the basis of expert knowledge.

Immigrant rule cannot be ratified

THE GOVERNMENT

has decided that Britain's laws prevent its ratifying an International Labour Conference convention aimed at providing a better deal for immigrants.

The convention wants Governments to guarantee equality of employment prospects, social security and trade union and cultural rights, as well as freedom for lawful immigrants.

Although the Government supports most of these requirements, it says in a White Paper published yesterday that it cannot ratify the convention for four reasons.

- 1 Present regulations require three years' residence before a dependant of an immigrant can qualify for a mandatory award for higher education.
- 2 The Government has not accepted the obligation that schools instruct the children of immigrants in their "mother tongue."
- 3 Free choice of employment for short-term immigrants is not permitted for four years.
- 4 There is no automatic right in the U.K. for immigrants to be joined by their parents.

The Government says it cannot ratify the convention because it would mean introducing further criminal sanctions against employers, and alterations to the work permit scheme.

International Labour Conference. Command 6674. SO, £1.25.

East Midlands airport expects £105,000 surplus

EAST MIDLANDS airport, near Derby, which expects to make a £105,000 surplus on operations in 1976, is to become more self-supporting.

The airport relies on contributions from Nottinghamshire, Derbyshire and Leicestershire County Councils and Nottingham City Council. With news of the expected surplus at the end of the financial year, the airport joint committee has decided to use £80,000 to reduce the level of capital contributions.

The airport expects to double the surplus next year and plans to use a further £100,000 then to reduce contributions still further.

THINK TANK REPORT ON POWER PLANT MANUFACTURING

Costly Government action needed to prevent total collapse

BY MAX WILKINSON, INDUSTRIAL STAFF

BRITAIN'S HEAVY power engineering industry is under threat of almost total collapse unless the Government takes urgent and expensive rescue action, a report from the Cabinet Office stated yesterday.

The report, by the Central Policy Review Staff (CPRS), would probably lead to the loss of some 30,000 jobs, the destruction of the industry's high technical capability, and a net loss of foreign exchange earnings of about £350m. a year.

The redundancies would cost the taxpayer £110m. in social security and other payments in the year following the lay-offs.

The four main companies which make power station machinery, are now suffering a total absence of domestic orders and unacceptably stiff competition for the limited export orders available to them.

The report says it will be impossible for the industry to survive intact unless the Central Electricity Generating Board changes its present policy of stopping the industry until 1979 or 1980. The report finds that the Board consistently over-estimated electricity demand during the 1960s.

The review staff says the capital cost of ordering enough extra power stations to keep the industry going—about 2,000 MW a year—would be £900m. phased until 1985. After taking into account the savings from improved efficiency of the new stations the net extra cost of the forward ordering programme could be as much as £600m.

Theme

The companies involved are the two turbine generator makers, C. A. Parsons of Newcastle and GEC, and the two boiler makers, Babcock & Wilcox of Gateshead and Babcock & Wilcox, whose main works is at Renfrew.

The report says only a small turbine generator capacity will be left if the industry is not helped, and Britain would probably lose its independent capability to build boilers for nuclear power stations.

A recurring theme of the report is that investment in huge generating stations, which will be pouring power into the grid 20 or more years ahead, must reflect the Government's long-term confidence in the future of the British economy.

Thus, if the economy grows at an average rate of 3 per cent. considerable extra generating capacity will be needed to meet the demand of scale as well as reductions in operating manpower.

However, the CEGB's decision to standardise on 660MW sets has left the U.K. behind France, Germany, and Japan. "All major light of further forecasts of producing countries with the exception of the U.K., have installed growth of 3 per cent. in Gross Domestic Product (GDP) up to 1980 and 2.5 per cent. thereafter. The ordering need is calculated at 2,000 MW a year.

The report comments: "Clearly the higher the level of minimum ordering, the greater is the chance of building an internationally competitive industry in the long run. But equally, on the other hand, the higher the level is set, the higher the costs involved and the greater the risks if the economy does not grow as fast as expected."

The report says the trend will continue to be for an increase in the size of sets in advanced countries, particularly as nuclear power stations develop. Large sets are likely to continue to give economies of scale as well as reductions in operating manpower.

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The report comments: "Clearly the higher the level of minimum ordering, the greater is the chance of building an internationally competitive industry in the long run. But equally, on the other hand, the higher the level is set, the higher the costs involved and the greater the risks if the economy does not grow as fast as expected."

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THE POWER PLANT MANUFACTURING INDUSTRY

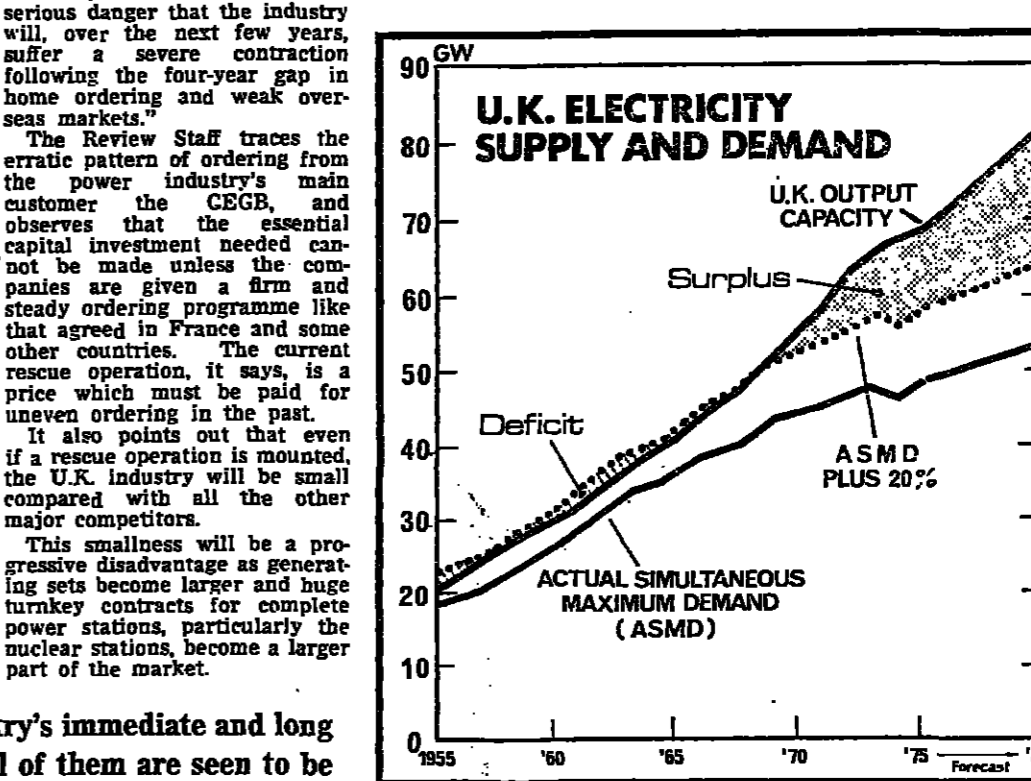
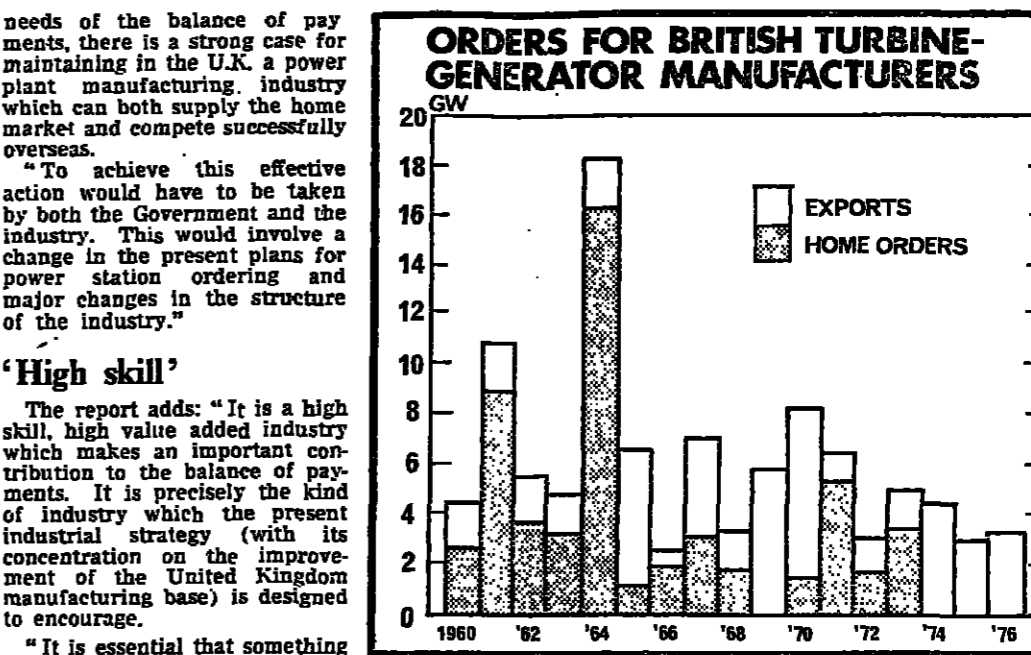
(TOTAL EMPLOYED 34,115 mid 1976)

Boiler Makers

Turbine Generator Manufacturers

	COMPANY EMPLOYED	% OF LOCAL MANUFACTURING EMPLOYMENT	LOCAL UNEMPLOYMENT RATE %
Babcock & Wilcox	458	4.7%	10%
GEC	5621	13.8%	7%
Warton	972	0.1%	43%
Warton	3606		
TOTAL	10,297		

	COMPANY EMPLOYED	% OF LOCAL MANUFACTURING EMPLOYMENT	LOCAL UNEMPLOYMENT RATE %
Parsons	5858	14.1%	8.9%
GEC	937		
TOTAL	6,795		



THE REMEDIES suggested to deal with the industry's immediate and long term difficulties fall under four main groups. All of them are seen to be complementary.

Commitment to ten-year ordering programme urged

THE CEGB should make a firm contractual commitment to a steady ten-year ordering programme of 2,000 MW a year, this should only be varied by about 10 per cent a year in the light of further forecasts of producing countries with the exception of the U.K., have installed growth of 3 per cent. in Gross Domestic Product (GDP) up to 1980 and 2.5 per cent. thereafter. The ordering need is calculated at 2,000 MW a year.

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Order for Drax could secure 1200 jobs

The immediate ordering of a £500m. coal-fired power station at Drax, on the Selby collifield, which the CEGB says will not be needed until the 1980s, would secure about 1,200 jobs for 21 years in each of the two firms likely to get the order, C. A. Parsons and Babcock & Wilcox. There would also be work for another 2,000 people in subcontracting firms.

The net extra cost would be between £45m. and £200m. depending on the assumptions made.

Merger of generator interests 'urgent'

THE MERGER of the turbine generator interests of Parsons and GEC and of the boiler makers of Babcock & Wilcox and Parsons are considered essential and urgent to produce a large enough and sustained independent competitive technology in world markets.

Home ordering of 2,000 MW a year, in addition to exports of about 3,000 MW for turbine generators and 1,000 MW for large boilers is seen as the likely maximum for the early 1980s.

The report suggests therefore that any immediate aid to the industry should be made conditional on restructuring.

Improvements in quality, standards, delivery management and efficiency are all needed in some parts of the industry.

The capability and willingness to tender for large turbine projects must be developed, as it has been in all the competing countries. The report says that the industry possesses the elements needed for a turnkey capability, but very large financing is needed.

If the very large sums at risk in turbine projects are to be covered satisfactorily some new underwriting capacity will have to be created. "The amounts at risk are so large that the capacity and spread of the entire London market is required."

Chilean Government 8% Sterling Loan of 1922

Jorgan Grenfell & Co. Limited hereby gives notice that a Drawing of Bonds of the Loan took place on 2nd December 1976 attended by Mr. Keith Francis Croft, Clerk of the Firm of John Venn & Sons, Notary Public, when the following Bonds are drawn for redemption at par on 4th January 1977:—

Bonds of £100 Nominal Capital each—Numbers		212	259	300	362	382
705	81	85	110	176	1300	2082
702	77	838	840	774	2082	2088
1173	2400	2814	2784	2921	3328	3599
3660	3771	4262	4316	4567	5031	5206

Each of the above Bonds when presented for redemption must bear the coupons dated 1st July 1977 and all subsequent coupons otherwise the amount of the missing coupons will be deducted from the principal to be repaid. Lists of current and outstanding drawn bonds are available from Morgan Grenfell & Co. Limited, Registrars Department, 4 Throgmorton Avenue, London EC2P 2NB.

BANK RETURN

Withdrawable Dec. 15 1976 Inc. (p. 1) of Dec. 15 1976

BANKING DEPARTMENT		£	£
Capital	14,500,000		
Public Deposits	1,575,000	1,575,000	
Special Deposits	3,320,000	3,320,000	
Reserves & Other	439,668,697	44,071,524	
Total	2,652,835,152	14,497,526	

Assets: Govt. Securities 1,561,565,000 - 343,210,000
Advances to Banks 986,649,266 + 328,249,308
Premises, Equip. 24,344,706 + 6,425
Other Assets 17,815,982 + 464,248
Total 2,652,835,152 - 14,497,526

Fleet Street wage pacts causing Ministry concern

BY ALAN PIKE, LABOUR STAFF

THE DEPARTMENT OF Employment has expressed its concern about the possibility of a national newspaper wage pact which would breach the pay policy. The department is concerned that this could set a precedent for other industries, leading to a general increase in wages.

Mr. Ian Hudson, the senior permanent official responsible for incomes policy, expressed the department's concern in a letter to the Newspaper Publishers' Association. The letter said that the department was "concerned about reports of pay settlements in the newspaper industry which, if it is alleged, breach the pay policy."

This appeared to arise, says Mr. Hudson, in house (individual) agreements of one kind or another.

The letter reminds the NPA that the Department of Employment is responsible for the pay policy. It says that the department is "concerned about reports of pay settlements in the newspaper industry which, if it is alleged, breach the pay policy."

The department is concerned that this could set a precedent for other industries, leading to a general increase in wages.

ACAS move to end bank union rivalry

BY DAVID CHURCHILL, LABOUR STAFF

A MAJOR attempt to end the intense inter-union rivalry in the English clearing banks is to be launched shortly by the Advisory, Conciliation and Arbitration Service (ACAS).

The move comes in the wake of a decision by the Certification Officer to grant a certificate of independence to the Barclays Bank Staff Association.

ACAS is expected initially to hold fresh talks between the National Union of Bank Employees and the staff associations in Lloyds, Barclays, and National Westminster in an effort to create one banking organisation for employees instead of the present divided representation.

If these talks fail, as they have done in the past, ACAS seems likely to hold a general inquiry into industrial relations in the banks under Section Five of the Employment Protection Act.

This gives ACAS the power to investigate any aspect of industrial relations within a company or organisation, then to issue a report and recommendations.

Agreement

NUBE had originally asked for such an inquiry but had been told by Mr. Jim Mortimer, ACAS chairman, that the certification of the staff associations first had to be resolved.

Now that Barclays Staff Association has been given a certificate, joining those of

Post Office pension fund invests overseas

BY ERIC SHORT

THE POST OFFICE Staff Superannuation Fund holds 10 per cent. of its quoted investments overseas and recently has been active in property investment in the U.K., according to accounts published yesterday for the year to March 31.

It was stated that the policy of the trustees was to invest about 15 per cent. of the equity portfolio overseas but, in view of exchange control and other restrictions, it was rarely possible to achieve this target.

The report says that the fund grew by more than £250m. during the period to £890m. Quoted market value investments total £544m. of which £486m. is in the U.K., £41m. in North America and £17m. in the Far East. The fund invested £250m. in quoted investments and £344m. in property.

Four trustees are appointed by the Post Office and four by the Council of Post Office Unions under an independent chairman, Mr. A. Wolstenholme. The union members who are trustees are Mr. Ken industrial companies and £51m. in property including the Civil and Public Services acquisition of an office block in Victoria, British Columbia and an industrial park in West Chicago. During the year the fund became the sole owner of active in property investment in the U.K., according to accounts published yesterday for the year to March 31.

Airline says strike will not hit flights

BRITISH AIRWAYS said yesterday that a strike by the airlines' engineers would have no effect on services.

The engineers, members of the Amalgamated Union of Engineering Workers, decided to strike following a meeting on Wednesday about the right of the union to negotiate over local panel machinery.

An airline spokesman said the dispute could be resolved soon and that, with luck, there would be no interruption of passengers.

"Passengers shouldn't worry," they should check in as normal. All our aircraft are in good condition after overnight services."

The men were starting their strike in phases, and only overseas division workers were on strike yesterday. European division staff were expected to walk out today.

'End Health Service charges'

BY OUR LABOUR STAFF

MR. JACK JONES, general secretary of the Transport and General Workers' Union, yesterday launched a strongly worded appeal for all National Health charges to be withdrawn.

In evidence to the Royal Commission on the National Health Service, Mr. Jones said his union was "totally opposed in principle to any form of direct charges for health care in the NHS."

The union believed the present system of charges should be scrapped, especially for dental and optical services.

At present charges in the NHS do not come directly to the service, the union said. Any increase would not directly help NHS finances "unless the whole basis of the U.K.'s taxation system were to be changed."

There was no alternative but that the NHS should continue more

Warning to Rubery Owen strikers

By Our Labour Correspondent

A FRESH warning that the strike-hit Rubery Owen car component plant at Darlington, Staffs., will be closed for good unless normal production resumes soon, came from Mr. John Owen, managing director, yesterday.

Sixty maintenance electricians have been sitting in and refusing to work for the past nine days in support of demands for payment for the time they were laid-off during a recent three-week strike of maintenance engineers.

Production is continuing but being affected, as plant falls in need of repair. Last night, Mr. Owen stressed: "We can only continue for a limited period. The strikers must be aware that the company could not meet their claims, he said, adding that the rest of the plant's 2,750 workers would demand the same treatment."

Mr. Owen was supported by Mr. Fred Griffiths, divisional organiser of the Amalgamated Union of Engineering Workers, who said: "There is a strong possibility the place will close unless the strike ends."

Management issued similar warnings last month when the engineers' strike halted output of axles and petrol tanks, hitting car production across a large sector of the motor industry, and making 9,000 workers idle.

'Anger and frustration' in police

By Our Labour Staff

A WARNING about "anger and frustration" sweeping the police forces over pay and conditions was made yesterday by leaders of the 120,000 policemen and women.

Mr. James Jardine, chairman of the Police Federation, which was leading a lobby of MPs at Westminster, said that the Government would have to act quickly if it was to prevent demands for more militant action.

Already the federation will face demands at its annual conference next May for seeking the right to strike as well as affiliation to the TUC.

Police lobbying MPs told them that they regarded it as unfair that they could not have a 25 rise under the First Stage, but had to settle instead for the 14 per cent. under Stage Two of the policy.

"This is particularly worrying at a time when many police are angry and frustrated by the present situation," said Mr. Jardine. "A research has shown that at a time when the scale and violence of crime is deeply disturbing to the public and could, if not checked, pose a threat to our very society."

accountability, less bureaucracy, and a decentralisation of decision-making.

Workers Union proposed that a single authority should take on the functions and powers on the existing regional and area authorities. The present district authorities should be retained at a time when the scale and violence of crime is deeply disturbing to the public and could, if not checked, pose a threat to our very society."

"We strongly regret the Government's consistent postponing the regulations on safety representatives, especially as the cost of implementation will not be excessive, in view of the great savings that can be made in reducing the huge toll of industrial accidents and fatalities."

Qualified victory for company: no major action urged

BY MAX WILKINSON, INDUSTRIAL STAFF

THE MONOPOLIES Commission recommended yesterday that no major action be taken against Rank Xerox except to ask the company to modify its pricing for large users.

The result is a qualified victory for the company, which has stated strongly that the terms of reference of the indirect electrostatic copying industry in the commission in 1973 were misconceived.

The company said that though it clearly had a monopoly over the process which its parent company Xerox of America invented and patented, it was competing against many other copying processes, including the xerographic and coated paper copiers.

In general, the Monopolies Commission has accepted this contention. Its report says: "In so far as alternative processes are used over almost the whole range of copy volumes for which indirect electrostatic machines are used (as Rank Xerox has demonstrated) we accept that it is not possible to identify the various processes with their own distinct and exclusive sub-markets."

For these reasons we consider that no specific action is called for to reduce or regulate Rank Xerox's profits.

The company is criticised, however, for its policies in three areas, which the Commission judges were introduced as a result of its monopoly position and operated against the public interest.

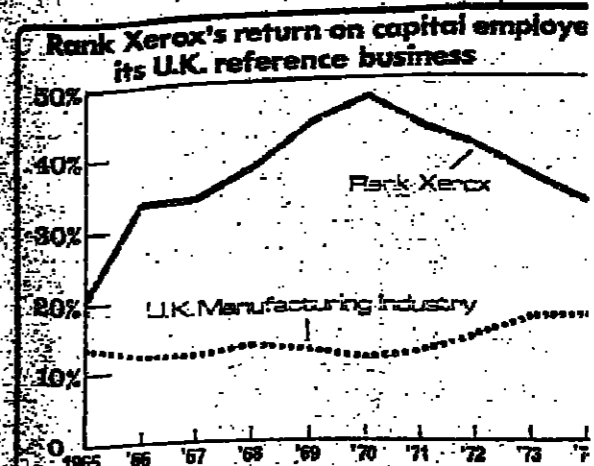
These criticisms relate to: Patents: The company has taken out or applied for 2,220 patents relating to the indirect electrostatic copying system and its inability readily to identify which patents were commercial reasons for its policy. The report says that the company's policy of not licensing its patents was "in our view, indications of the difficulties faced by the company in the patenting process."

The report says this patenting policy was operated against the public interest. But in view of the Commission's Order agreed last year, the Commission will not be obliged to license competitors. The Commission has no further action in the matter.

Under the Consent Order, Rank Xerox's rivals in the U.K. are required to provide know-how to provide know-how to manufacturers outside the United States. We cannot predict what the effect of this limited provision concerning know-how will be on the manufacturing and supply of plain paper copiers in the United Kingdom. This matter will have to be watched as the new state of affairs unfolds.

Patenting policy: Until this year Rank Xerox did not allow customers to buy machines, which were all rented. The Commission found that this policy was a barrier to competition. The Commission recommended that Rank Xerox should charge separately for supply instead of including rental. This would enable customers to buy from other suppliers if they wished.

The Commission also found that Rank Xerox's policy of not licensing its patents was a barrier to competition. The Commission recommended that Rank Xerox should charge separately for supply instead of including rental. This would enable customers to buy from other suppliers if they wished.



Market power

The Commission finds that the plain paper copiers have a significant advantage for users decided to make between 5,000 and 50,000 copies a month. Although there is considerable overlap in this part of the market Rank Xerox, as the dominant supplier, has a "marked degree of market power."

But the Commission makes special mention of the company's excellent export record and its general efficiency.

"Rank Xerox has been well managed, and the group's technological achievements have been valuable. The record of innovation and the fact that it has established a new industry in the United Kingdom may be regarded as factors which are positively in the public interest. Rank Xerox told us that research and development work on ideas originating in the United Kingdom would normally be carried on here. We consider this appropriate."

"The substantial contribution to the United Kingdom balance of payments which the company has made and continues to make through exports is a further factor which is positively in the public interest."

High profits

The Commission finds, therefore, that Xerox did technically have a monopoly over the process referred for investigation. The company was responsible for 83 per cent. of the copies made, and 89 per cent. of the machines. But this monopoly "did not operate against the public interest." In view of increasing competition it is not expected to do so in future.

Rank Xerox's profits were much higher than those for most other industries. They reached

Indirect electrostatic reprographic machines sold in the U.K. by Rank Xerox's rivals (Oct. 1975)

Supplier	Model	Date of introduction in the U.K.	Type	Speed: First copy per minute	First copy time in minutes
AGFA-GEAERT	X10	1972	Desktop	10	10
	X20	1975	Desktop	20	10
GESTNER	FB 12	1971	Desktop	12	9
IBM	Copier I	1970	Desktop	10	15
	Copier II	1972	Desktop	25	6
IMPERIAL	900 Bend	1975	Desktop	15	8
OLYMPIA	Omega 1000	1974	Desktop	10	10
LION	Toshiko SD702	1973	Desktop	10	10
MC REPROGRAPHICS	U-Bi Mk1	1973	Desktop	12	14
	U-Bi Mk2	1974	Desktop	10	15
	U-Bi Mk4	1974	Desktop	20	7
3M	235 VHS	1973	Desktop	18	3.5
	238 VHSR	1974	Desktop	18	3.5
NASHUA	Delta I	1973	Desktop	15	9
OLYMPIA	Omega 1000	1973	Desktop	10	10
OYEZ REPROGRAPHICS	2000	1973	Desktop	10	10
ONEO VICKERS	Saxon PPC1	1974	Desktop	30	2
THORN	NP 70	1973	Desktop	15	7
	NP 110	1973	Desktop	15	7

RANK XEROX INDIRECT ELECTROSTATIC REPROGRAPHIC MACHINES

Date of introduction in U.K.	Type	Speed Copies per minute	First copy time in minutes
1961	Console	15	15
1962	Console	15	17
1963	Console	15	17
1964	Desktop	9	25
1965	Desktop	9	14
1966	Console	60	7
1967	Console	60	8
1968	Console	60	8
1969	Console	45	6
1970	Console	45	6
1971	Console	45	6
1972	Console	45	6
1973	Console	45	6
1974	Console	45	6
1975	Console	120	8

Note: This table excludes Special Systems Products.

New policy

The group pricing policy competition because it is not able to Xerox machine with part of their price report recommends that they be given six months to a new pricing policy. In consultation with the Office of Fair Trading, Xerox should charge separately for supply instead of including rental. This would enable customers to buy from other suppliers if they wished.

The Commission also found that Rank Xerox's policy of not licensing its patents was a barrier to competition. The Commission recommended that Rank Xerox should charge separately for supply instead of including rental. This would enable customers to buy from other suppliers if they wished.

APPOINTMENTS

G. Darby to head Cadbury Schweppes' drinks gro

Mr. Geoffrey Darby has been appointed head of the drinks group of Cadbury Schweppes. He will take up that position in February. He is food co-ordinator of the European division of Coca-Cola and was previously managing director of Beecham Food.

Mr. Darby will succeed Mr. John Beasley, who is joining an American company.

ROBERT FLEMING AND CO states that it is arranging to enter the professional market in investment currencies early in the New Year. Mr. John Galvanoni, at present a vice-president with Kidder Peabody, will shortly be joining Robert Fleming as manager of the new department.

Mr. W. G. Jewers has been appointed to the full-time post of managing director of Eastern BRITISH GAS CORPORATION for five years. He succeeds Mr. J. H. Smith who has become deputy chairman of the Corporation. Mr. Frank Norrie, general manager of the North Eastern Region from January 1, succeeding Mr. Colin Smetteman, who retires at the end of this year.

Mr. H. L. L. Runciman will become managing director on January 1 of a new company being formed by TARMAC ROADSTONE, a subsidiary of the Glasgow-based subsidiary, Stone Holdings. Other senior executives, together with the financial director to be appointed, will constitute the management Board of Tarmac Roadstone. Mr. H. R. Runciman, president of Royal Worcester Spode (Canada) Mr. D. R. Spode, will be appointed as president of the new company.

Mr. Peter Capel has joined the Board of JCB EARTHMOVERS as a non-executive director. Mr. Capel was until recently a director of Thomson Publications, where he was head of trade and technical publication for the U.K. and Europe.

Dr. Trevor M. Jones has joined the WELLCOME FOUNDATION as head of technical development. Dr. Jones was previously with Boots Company as head of their pharmaceutical development laboratories.

Mr. George H. Baynes has been appointed marketing director of IT TRANSPORT EQUIPMENT, to

control the three transport service equipment manufacturing companies, Crispin Triangle, Joseph Bradbury and Sons and V. L. Churchill and Co., together with Transervice, the service and training organisation which covers the needs of all three. Mr. Baynes was previously chief executive of Bram (Europe).

Mr. A. W. Goodfellow, technical director, Flight Refuelling, and Mr. E. H. Thomas, a director of Flight Refuelling and managing director of Alan Cobham Engineering, have been appointed directors of FLIGHT REFUELLING (HOLDINGS). Mr. T. C. Marks, commercial director of Flight Refuelling, has been appointed to the Board of Alan Cobham Engineering.

Mr. Rodney E. Lambert, presently a partner with Cutler and Co., will be joining the partnership of ROY JAMES AND CO. from January 17.

Mr. R. A. F. Ostime has been appointed director of both UNITED STANDARD INSURANCE CO. and Vigilant Assurance Co.

COUNTY PROPERTIES. Mr. David J. Kirkham has joined the Board as group financial director and secretary.

Mr. Christopher G. Clarke has been appointed to the Board of HENDERSON ADMINISTRATION.

SPILLERS FARM FEEDS has promoted Mr. D. W. J. Buckley to the new post of general manager. His marketing team will include Mr. John Cook as national poultry products manager; Mr. William Reid V.C. as national cattle products manager; Mr. R. Major, national pig products manager; and Mr. J. L. Rishworth, national horse products manager. Mr. Cook, Mr. Major and Mr. Reid were formerly national advisers with the company. Mr. J. T. Hay as marketing co-ordinator, will be assistant to Mr. Buckley.

Mr. John Mason, formerly commercial director, has been appointed to the Board of WRIGHTSON MACHINE COMPANY. Mr. C. W. Newton has become sales director (Manchester) of Wrightson. He is resigning from the Board of the three companies at the end of this year.

Mr. E. Jones is to his appointment as a director of the STRUTLEY COMU will continue as a consu

The Norwich Winter insurance Group states Mr. P. Fitzsimmons will be quishing his position as a director of STRONGHOLM CORPORATION from January 1. Mr. James R. Fitzpatrick will then become chief executive. The following six members of local Boards have been appointed to the main Board: Mr. T. E. Carr, Mr. J. Fitzpatrick, Mr. C. A. Kelly, Mr. J. B. Muckelbauer, Mr. D. J. Murphy and Mr. E. J. O'Keefe.

Mr. Wynford Evans has been appointed deputy chairman of the LONDON ELECTRICITY BOARD for five years from January 1. Mr. Evans, computer and management services manager of the South Wales Electricity Board, will succeed Mr. Alan Plumptre, who is now chairman of the LEB.

Mr. Selwyn Devery has been appointed managing director of the overseas division of RONEO VICKERS. He was formerly the division's general manager.

Mr. George Reptowski has been appointed a director of the COMMERCIAL METAL COMPANY.

Mr. George Smith has been appointed financial director of RACAL (SLOUGH). He was previously with Thomas De La Rue.

Mr. Robin Wood has been appointed director of WARD LOCK, a member of the Penton Group, with special responsibility for the Edmonton distribution centre.

Mr. Terry Edmondson and Mr. Geoffrey Gribble have joined the Board of STANDEX INTERNATIONAL and continuing in their present executive positions.

Mr. S. H. Macpherson, a director of Sh-Robert Macpherson and Sons, has been appointed a director of the Royal, the Liverpool and the London and Globe and the London and Lancashire insurance companies from January 1. Mr. R. Macpherson is leaving this company to join a company based overseas, is resigning from the Board of the three companies at the end of this year.

NEW NORTH S PUBLISHING MAP

To mark the recent Offshore Exhibition Birmingham, the Financial Times has produced a new map of the North Sea. It is complete to date, and includes grid system superimposed on the ever-increasing number of oil and gas fields.

For your copy of the map, just send us a t for £2.50 (post free) To: Financial Times, Bracken House, Cannon Street, London EC4A 3DF.

دولت اسلامی

LITIC SEA OIL REVIEW

BY RAY DAFTER

A realistic view of the Celtic promise

Drilling activity in the Celtic Sea appears, yet again, disappointed the oil industry. At a time when the debate about the value of the oil industry is running high, the industry is showing its lack of interest in the area of the Celtic Sea. The industry is showing its lack of interest in the area of the Celtic Sea.

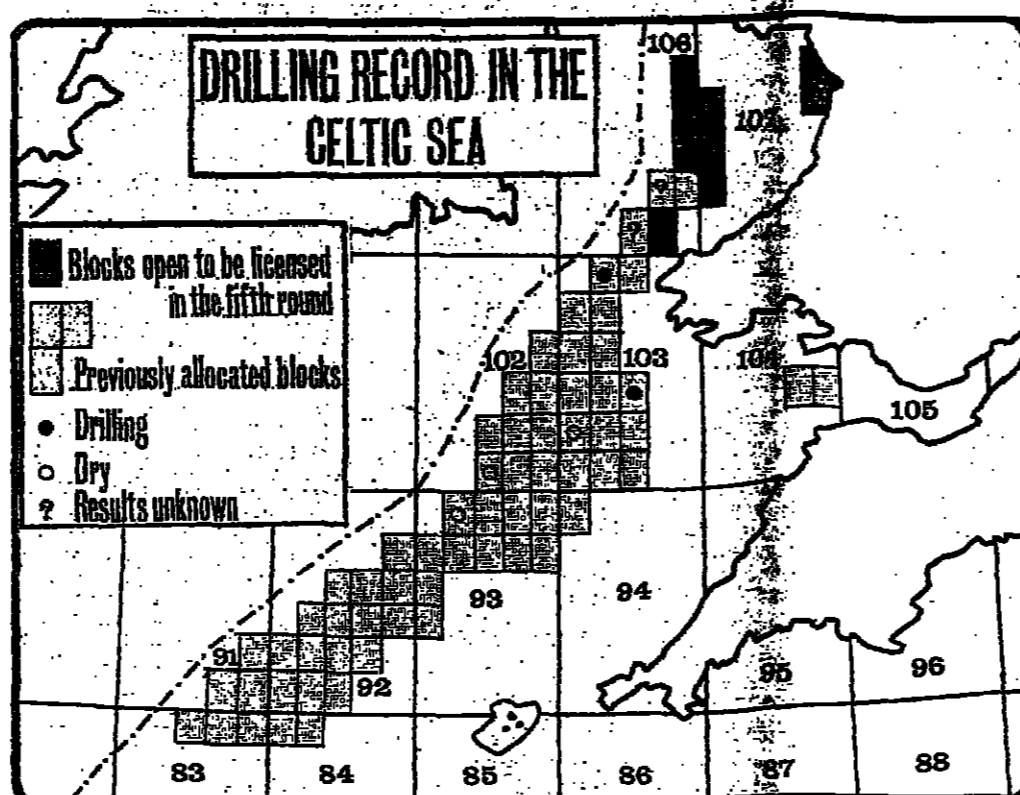
That leaves two wells in the current programme that remain to be completed. Shell has nearly finished drilling on block 103/18 where the semi-submersible rig Sedco 707 is being used. Industry reports suggest that the drilling will also prove to be disappointing.

Nearby, Texaco and Hydrocarbons are drilling on block 103/2. The group, in which activity would shed a Texaco rig Drilmaster for the drilling has merely exercise, some 30 miles off the coast of the industry's entrance to Milford Haven. There is no indication, at this stage, whether Texaco will find the result of only one that elusive oil reservoir which has been made public.

As the Gas Corporation has confirmed that its venture on block 103/18 is complete, in July, in a dry hole.

ious mystery surrounds well in which the Gas Corporation was again involved. The Gas Corporation is refusing to disclose the details of the well, which drilled on block 103/18. The Gas Corporation is refusing to disclose the details of the well, which drilled on block 103/18.

is—the Corporation has source rock or that there was



no reservoir rock, then I would be pessimistic. But, in one well or another, more factors have been encountered.

The fact remains, however, that all the Celtic Sea wells completed so far have been dry. These include the early tests by Shell (102/28) and British Petroleum (93/2). In 1974, Atlantic Richfield suspended a well on block 106/24. Unspecified "valuable geological information" was gained by that operation and it is possible that the group could return for further drilling on the block next year.

Whether many companies will return to the Celtic Sea in 1977 and subsequent years is a moot point. There is a strong indication that a number of major operators are losing interest in the area; it is quite likely that a substantial proportion of the licences will be relinquished over the next few years.

BP, for one, is showing only lukewarm interest in the Celtic Sea. Mr. Peter Walsley, the company's exploration manager, said recently in Aberdeen: "We are waiting to see what happens on the two wells being drilled by other companies before we

commit ourselves to any further activities."

In recent months the Department of Energy has gone out of its way to present a realistic picture of the Celtic Sea's prospects. Under current licences the Department forecasts that a total of 10 or 12 wells might be drilled in the area, including the seven completed or in progress.

This number could rise if (a) there is a "breakthrough" oil discovery, or (b) there is a positive response to new fifth round licences. On the latter point, there are some promising signs.

Apparently seven of the nine blocks offered in Cardigan Bay have attracted applications (the two ignored lie against the coastline). Contrary to some industry speculation British Gas will not be carrying the Celtic Sea banner on its own. Other companies have also applied for a share of the new licences; Amoco could well be among them. It is reported in Wales that Amoco is likely to drill a new Celtic Sea well next year, anyway.

So why the continuing interest? First, it is too early to write-off the Celtic Sea.

It should be remembered that about 50 wells were drilled in the Norwegian sector before a major field (Ekofisk) was discovered. Secondly, the area is enticingly close to a major oil-handling area, Milford Haven is Britain's biggest oil port; no less than five refineries have been built in South Wales. Thirdly, Welsh authorities and industries have demonstrated their eagerness to become involved in Britain's offshore venture.

Fourthly, and perhaps most important, the main sedimentary basins (Celtic Sea, St. George's Channel and Cardigan Bay) contain some reasonably interesting structures, although nothing on the scale of those in the northern North Sea.

Mr. Basil Butler, BP Petroleum Development's manager of Sullom Voe terminal projects, gave his impressions about the geological prospects at the Offshore Wales Conference in May. "The reason for the lack of optimism regarding oil prospects in the Celtic Sea is the

disposition of the few adequate reservoir rocks relative to the structures," he said.

There were large dome-shaped structures—the classic shape of so many oil fields—but in most of them the permeable reservoir rocks that must be present for commercial oil or gas fields were lacking in the top of the structures. In some cases the rocks were arranged in such a way that any oil or gas which might be trapped could not be sealed in.

"It is fairly obvious that this state exists over most of the main structures in the basins and leads to the pessimism regarding the possible existence of many commercial oil fields. There are some exceptions and it is these that lead to the hope that some commercial fields may be found."

Mr. Butler concluded that the geological picture now emerging was one of few good closed structures, of limited source rocks from which the oil was derived, and of reservoir rocks within which the oil could accumulate appearing only in certain areas. "It is not an encouraging picture, but not completely without hope."

It is the statements like this, both from the offshore industry and from the Department of Energy, that is creating a more realistic view of the Celtic Sea's promise. Past political statements both national and local have nurtured expectations which could not be justified by the scant geological information. To some extent injudicious oil-

dust statements added fuel to the enthusiasm.

At times the public was led to believe that the hiatus in drilling activity was caused by the lack of spare rigs. And yet, in 1975, many rigs were being laid up. The real reason for the cautious approach to the Celtic Sea was that oil companies felt there were more attractive areas to spend risk capital.

If not convinced that there is to be a swift increase in offshore activity, Welsh industrialists envisage a lengthened period of steady exploration. The fifth round licences provide the key.

More than 60 supply and service companies in West Wales are now involved in offshore work. Their presence is welcomed not only by Celtic Sea offshore operators but also those oil groups about to start exploring off South West England. For the first time the fifth round of licences takes in these Western Approaches blocks: this area is likely to become even more attractive once boundary disputes between the U.K., Ireland and France have been settled next year.

Mr. Frank Grout, the Dyfed Industrial Development Office, retains confidence in the Welsh offshore industry's prospects: all of the Celtic Sea and Western Approaches blocks could come within the accepted servicing radius of Dyfed, he said. "With an oilman's shopping centre already established on the Milford Haven waterway, a centre of gravity has been created."

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COMPANY NOTICES

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Shareholders are hereby informed that a dividend of US \$0.15 (fifteen cents) in respect of each share outstanding as at December 10th, 1976 will be paid as from December 10th, 1976 against surrender of Coupon No. 5 at the offices of Kredietbank S.A., Luxembourg, 37, Rue Notre-Dame, Luxembourg. Shares will be quoted ex-dividend as from December 13th, 1976.

HILL SAMUEL OVERSEAS FUND
The General Manager
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16th December 1976.

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The Property Market

BY QUENTIN GUIRDHAM

What the agents think of the year's yield trends

"It is nowadays possible to argue that the production of reports on the property market is of itself a growth business," say Savills, contributing their own two-pennorth with a review of the year's activities. If the reporting trend is growing, it may be no bad thing in a business where, with the pressure of day-to-day dealings, the professionals don't often find time to sit back and analyse what is actually happening.

The point Savills is making, however, is that with instant wisdom served up each time short-term economic factors change, there is a tendency for long-term decisions to be changed as well, particularly in the investment market. "We detect signs that every movement of the Minimum Lending Rate is beginning to have an effect on prices paid for investment properties, and hence the value of all commercial property, whether or not it is for sale. The dangers inherent in this are obvious, and we cannot believe it is a healthy trend."

This is a point raised obliquely in several of the agents' reviews of 1976 so far published. St. Quintin Sun and Stanley, for instance, have quantified some of the value changes, ignoring any material changes in rent levels, and taking a trend in yields generally a shade lower than reported by other agents.

In January of this year, they put prime yields at 5.75 to 6 per cent. for offices and shops, with industrial/warehouse property at 8.5 per cent. By September, on a gently downward trend, they had central London offices still at 5.75 to 6 per cent, suburban and provincial offices at 5.5 to 5.75 per cent, and the net yield for the industrial/warehouse sector at 7.75 per cent.

post the MLR rises, St. Quintin's saw an adjustment to 6.5 per cent. for prime offices and shops and to 8.5 per cent. for industrial/warehouse property. The 'switchback' effect of these changes may be noted from the fact that they represent rises in capital value for prime property in all three categories of 9-10 per cent. in the nine months January-September, whereas the change in October not only cancelled this out but resulted in a decline in value of prime shops and offices, since the beginning of the year of some 8 per cent. (industrial/warehouse property breaking even). They think prime yields have subsequently declined by about a quarter of a point in line with MLR.

So should the value of an investment really be susceptible to an overnight change of an eighth of a point in response to an interest rate policy which must be seen as a short-term factor? Or will it learn more on this issue against the life of a property investment?

That is a question to tax the waders who will be busy next year. For this year, the consensus among agents is that the

biggest shift is in the yield gap between industrial and commercial investments. St. Quintin's thinks a diminution in the 2 per cent. gap may occur, pointing out that this is more in line with the practice in other countries, that the present economic climate may slow down rental growth for offices and shops, and that early obsolescence, previously thought of as an affliction of industrial/warehouse property, can now be identified also in the office buildings of the early 1960s.

Chamberlain and Willows, not a firm to jump on bandwagons, says: "There is little doubt that we have witnessed a significant swing towards industrial property for investment and the time-honoured yield gap between offices and industrial has narrowed."

Scarcity

They point out, however, that during the year many fund managers were demanding and obtaining yields of up to 10 per cent. While they do not see MLR as having had a significant effect on industrial investments, they emphasise that really prime investments are scarce and that secondaries are still very hard to sell at figures ranging from 12 to 15 per cent.

Other points from the Chamberlain and Willows report are that letting inquiries, unlike the investment market, do appear to have been significantly influenced by interest rate rises, though their overall figure for 1976 is still 14 per cent. up on last year.

They do not consider that "replacement" IDC policy changes have gone far enough

to industrial buildings, which are mostly limited to 1918 and 1919 factories (Chamberlain and Willows).

City of London offices: "It is now evident that virtually all the interest in major acquisitions is from overseas companies and is actually done from those indigenous to Britain." (St. Quintin's).

Office rentals: "We have seen this year the reversal of the three tier rental pattern as now the highest rent levels are achieved for rent review negotiations, the middle range for lease renewals and the lowest for open market transactions. In our experience, terms being agreed for current rent reviews are at a level that cannot be justified on today's open market mainly because this reflects past performance, when on a falling market, the landlords can produce evidence at a higher plane." (Gross Fine and Kieger Chalfen).

MEPC revalues

Following the revaluation of MEPC's investment property portfolio by Knight Frank and Rutley and Jones Lang Wootton — before the leap in MLR — the resulting assessment looks neat enough, coming as it does within £4.4m. of the £8.8m. provision made last year. Group investment and development properties total £88.7m.

But although last year's provision looks more or less on the ball, the fact is that on the asset side of the balance sheet the drop in sterling has had a dramatic effect as it has on foreign currency borrowings on the other. Without currency would have been inadequate to cover the proportion of assets overseas is demonstrated in the group's first breakdown on exactly where its assets lie. For a company which until so recently was regarded

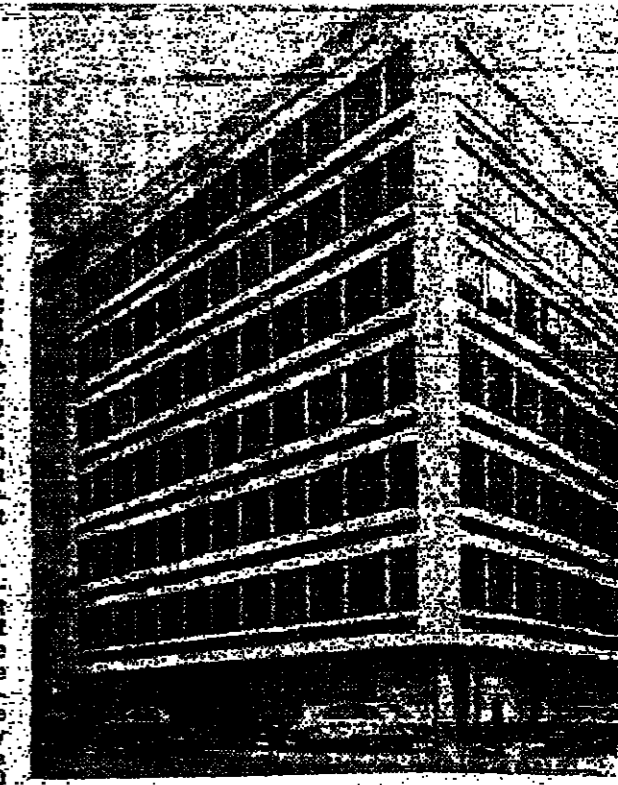
operation, the fact is that only just over 50 per cent. of its assets are now home based. Nearly one quarter are now in the U.S.

In the past MEPC has had a policy of revaluing investment properties on a three-year rolling basis and while, as MEPC says, it had certain merits, it now believes that the disclosure of an up-to-date assessment of the portfolio on a single date is essential in current market conditions. Managing director Christopher Benson says, however, that the company is not all convinced as to the merits of establishing a regular valuation policy along these lines. The valuation, incidentally, was on the basis of open market values "as between a willing vendor and willing purchaser," and not the format approved by the RICS.

As for development properties, the company has maintained the same policy as last year. Those in the course of development have a book value of £22.2m. and although the directors say that current conditions make any accurate valuation impossible, they believe they have an estimate of between 10 per cent. and 20 per cent. below book value.

Properties held for development on which no work is under way stand in the books at £88.8m. and the directors again say it would not be practicable to place a reliable valuation on them. The point is underlined in a qualification to the accounts by Thomson McLintock, who says they are unable to express an opinion as to whether the development properties are fairly stated, as well as the capital gains tax which might arise if the investment properties were realised, at the amounts stated.

MEPC's operations in the residential development field, since Sanders, MEPC Housing revenue account. Given which have cost them something, and MEPC Finance are in the £2m. of sales, MEPC say in the order of £18m. in the past final stages of mopping up. Last see the end of the two years, are now in the final year's accounts reflected very clearly.



Following the sale by Sun Life, announced last month, one Aragen Properties building in Rue Marmoye, St. Etienne, for £3.5m. plus the other one (above) for £2.5m. EUPIC for around £2.5m. Completed in 1974, the 3.7 metres of offices are let to Hercules Europe SA, a subsidiary of American Chemical. This is EUPIC's first office in Brussels, purchased after what its retained Knight Frank and Rutley, describe as a long period of search. Jones Lang Wootton, who acted for Aragen, the sale reflects the shortage of good investments available in Brussels, combining decent covenants and leases (this nine years from the letting on completion).

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Hayes, Middlesex UB4 8QH.



£3m. cut in trade promotion

THE BRITISH Overseas Board of Trade faces a cut of £700,000 in its direct spending next year and a loss of 100 jobs as part of the Government's economy measures, Mr. Michael Meacher, Trade Under Secretary, said in a Commons written reply.

Mr. Meacher said the Board itself felt that although the measures would involve some cutback in its activities, the "main thrust" of its promotional activities would not be damaged.

The Board has 1,050 staff—and the reduction will take place over 18 months. It was planning to spend £19m. next year.

Road building halt effects

MR. WILLIAM RODGERS, Transport Minister, said yesterday that he was conscious of the serious effects of the six-month moratorium on road building, announced in the Chancellor's mini-Budget the previous day.

In a Commons written reply, Mr. Rodgers said that the effects were accepted as necessary to secure benefits for Britain.

The moratorium on contracts would apply to all construction of motorways, trunk roads, local roads, car parks and public transport projects. Existing invitations for tenders on schemes which would have started in the next few months would be withdrawn.

Wealth tax

THE COST of staff engaged on planning for a wealth tax amounts to about £1m. to date, Mr. Denis Davies, Treasury Minister of State, stated in a Commons Written reply yesterday. He said that accommodation costs so far committed were of the order of £2m. capital expenditure and £0.6m. annual rent.

Protest and confusion over referendum

Too many questions left unanswered, say MPs

BY JOHN HUNT

THE ANNOUNCEMENT that a referendum on devolution will be held in Scotland and Wales brought protest and confusion in the Commons yesterday in the final stages of the four-day second reading debate on the Government's devolution Bill.

Many MPs felt that the announcement by Mr. John Smith, Privy Council Minister, with responsibility for devolution, left too many questions unanswered. They were particularly dissatisfied that he would not say categorically whether English voters would have a say or what form the question on the ballot paper would take.

Others objected that it was ridiculous that the House should be spending months discussing the mammoth constitutional question only to run the risk of it being thrown out at a later stage in a referendum.

Mr. Smith told the House that the Government had not yet decided whether to hold the referendum in England and Wales. The Bill would be implemented and the Government would be bringing forward new clauses setting out the details during the committee stage of the legislation.

At the stage, the House would need to discuss carefully the detailed features of the referendum. It would have to consider such issues as the precise question to be put, arrangements for counting and other aspects. "These are complex matters which cannot be decided now," he said.

From the Opposition front bench, Mr. Leon Brittan, one of the Conservatives' new spokesmen, strongly criticised the lack of detail in the announcement. He, in turn, was attacked by Mr. Smith, who demanded to know what Conservative policy on devolution was.

Mr. Brittan replied that the Tories remained committed to a devolved assembly. In later exchanges, however, he indicated that his party envisaged a far less powerful Scottish Assembly than the one which would be set up by the present Bill.

Mr. Smith had argued that powers to be transferred to the assemblies from an overburdened Westminster were of a considerable range and depth. But there must be no doubt about the Government's unshakeable commitment in the maintenance of the Union, he said.

separatist in Scotland there were four to five Scots committed, less trivially, to the unity of the U.K.

Mr. Smith stressed that within devolved areas, the assembly would make decisions on priorities. Parliament would have to decide each time a Government wanted to use its reserve powers and the Government would have to prove that it was in the public interest and that there were repercussions on matters which were not devolved.

"Government cannot use the powers as a matter of political dogma or preference," it would have to satisfy the House that there were damaging side-effects on matters not devolved.

Mr. Smith rejected the view that there would be grave difficulty if in a referendum, the Scottish scheme was approved and the Welsh scheme rejected. He did not think this was likely, but if it did happen, the commencement orders in the Bill would be made for Scotland but not for Wales.

Mr. Smith told Mr. Nicholas Edwards, shadow Welsh Secretary, that the Government would

regard the decision of the people as final and the devolution powers would not be held in abeyance.

He countered a query from Scottish Nationalist Mr. Douglas Henderson (Aberdeenshire E.) who asked a Scottish vote for independence by asking if, in turn, the SNP would accept a vote against independence.

The Government was seeking to make the conduct of public business more sensitive and more acceptable to the people of Scotland and Wales, the Minister declared.

Mr. Brittan criticised the Government's announcement as a referendum had been made. It was a pity that the House did not have a statement which it was able to question in a normal and proper way.

If complicated new clauses were to be introduced concerning the referendum, more time would be needed to debate the Bill than the Government had envisaged. There were many questions that needed answers. Would the people of England

Heath: I cannot vote against this Bill

In his long awaited speech on the Bill Mr. Edward Heath, the former Conservative Prime Minister, completely rejected the line laid down by the Tory leadership and declared that he would not be voting against the second reading.

"I cannot go against my record of the past 10 years and the beliefs I have honestly and sincerely held and which I think are in the interests of the people of Scotland and the whole of the U.K.," he told a silent House.

"I regret I find myself in this position. I hope it will be understood, I regret I cannot vote against this Bill to night."

During his half-hour speech, Mrs. Margaret Thatcher, the Tory leader, listened closely. There were shouts of "Cheer up, Maggie" from the Labour benches and as Mr. Heath sat down there was a solitary cry of "Shame" from the Tory backbenches.

speech he had tried to stress the importance he attached to devolution and the urgent need for a Bill to be passed.

"I don't think in these circumstances anybody should expect me to vote against the government Bill. They know by history I may be inflexible and very obstinate. On the other hand, I may be that I sustain my beliefs."

"My beliefs, at the moment, are that this devolution Bill which I have been committed to for a decade is necessary and urgent. It is essential to maintain the union of Scotland, Wales, England and Northern Ireland and the best way of doing so was by devolution."

In the debate on Britain's entry into Europe, he had been in favour of a three-time whip but had been persuaded to allow a free vote by Mr. William Whitelaw, then Leader of the House, and by Mr. Francis Pym, then Tory Chief Whip. He now

realised that they had been right to allow a free vote.

In a passage which appeared to be a direct attack on recent statements by Mrs. Thatcher, he declared: "As a party we believe in freedom. What is the point of ringing declarations about freedom if we are not prepared to give Scotland and Wales greater freedom in their own self-government?"

"I believe one should give responsibility to the people at the same time as we give them freedom."

He welcomed a referendum and argued that this should go a long way to satisfy those who complained about shortcomings in the Bill.

Mr. Heath reminded the House that the previous Conservative Government had recognised that there should be an assembly for Scotland, that it should have legislative power and directly elected representatives. Lord Home had pointed out that an assembly, which was just part of the legislative system at Westminster, would be unlikely to succeed.

"The logical conclusion is to move to a viable and meaningful form of devolution. That is my position and I believe it is the logical conclusion of the ten years I have been engaged in working for devolution for Scotland."

"I have a personal commitment to it since the statement I made in Perth in 1968. I see no reason to change. Nothing I have heard in this debate gives me any reason to do so."

Mr. Heath was strongly critical of several points that Mr. Brittan had made from the Conservative

Chancellor has my full support—Callaghan

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

MR. JAMES CALLAGHAN, Prime Minister, yesterday attacked critics of the mini-Budget and warmly defended Mr. Denis Healey, the Chancellor, from his Left and Right wing detractors in the Commons.

Predicting that the effective use of the economic package announced the previous day would soon be widely realised, Mr. Callaghan said: "When the world has had a chance to look at it clearly there will be a boost to confidence."

But it was the demand, renewed during question-time by Mr. Peter Horner from the Tory backbenches, that Mr. Healey should resign, which brought the most vehement reaction from the Prime Minister.

"The Chancellor has carried a heavier burden than any other Minister for a very long time and he has served our country well," declared Mr. Callaghan.

Amid loud approval from the Labour moderates, the Prime Minister added: "He has my full support in what he is doing, and I believe his task has been made infinitely more difficult by the attitude of the Opposition on matters of this kind—including their attitude on sterling."

Left wing complaints about his measures had been directed earlier to Mr. Healey himself when he was urged by Mr. Douglas Hoyle (Lab., Nelson and Colne) to stop being a "servant" and try a new role as Santa Claus.

The Chancellor was further pressed to adopt Labour's alternative economic strategy, which would give prominence to import controls. Wipe the smiles off the faces of the Opposition and bring delight to the Labour Chancellor added.

Mr. Healey pleaded, arguing that the alternative strategy would not mean a slice economy, only a planned one.

Mr. Healey said nothing would please him more than to see a "considerable degree of" sensitivity over its recent involvement. But he pointed out that the TUC's economic committee had accepted the Prime Minister's view that there was no real alternative to seeking financial support from abroad.

He also assured Mr. Norman, worth of defence, to assist in London, Atkinson (Lab., Tottenham), the South African Government, case, it would make that the possibility of oil prices. Michael, Minister of State, responded to the Prime Minister's comment: Barclays bank in South Africa.



MR. DOUGLAS HOYLE, MP for adoption of Left policy.

accept in all of the mini-Budget's figures. Tory backbencher, Mr. Peter Viggers (Conservative) intervened to insist that the Government's credit-worthiness was being attacked.

Mr. Healey retorted that Mr. Viggers would do well to read the satisfaction expressed by the House over the measures that had been taken, along with the "full endorsement" of the people. He said: "The world is not a gambler's native, economic strategy, which would give prominence to import controls. Wipe the smiles off the faces of the Opposition and bring delight to the Labour Chancellor added."

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Bank purchase 'sensitivity'

BARCLAYS BANK, which has made an international sale in the past few years, is being accused of a "considerable degree of" sensitivity over its recent involvement. But he pointed out that the TUC's economic committee had accepted the Prime Minister's view that there was no real alternative to seeking financial support from abroad.

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Fishery Limits Bill unopposed

THE LORDS yesterday gave an unopposed second reading to the Fishery Limits Bill, which extends British fishing limits to 200 miles.

For the Opposition, Lord Campbell of Croy pledged support in getting the Bill, which has already passed the Commons, through the House by Christmas.

He also urged the Government to take powers to control landings of fish from foreign boats as a bargaining counter in negotiations with Iceland.

Lord Campbell said: "I have a personal commitment to it since the statement I made in Perth in 1968. I see no reason to change. Nothing I have heard in this debate gives me any reason to do so."

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Written Answers

MR. James Sillars (Scott. Lab., South Ayrshire): What has been the value of total sales of natural gas drawn from the English sector of the North Sea in the last 12 months? What was the total charge made to Scottish consumers, and what percentage this represents of total sales?

MR. J. Dickson Martin, Minister of State, All natural gas from the U.K. sector of the North Sea so far sold by the British Gas Corporation has come from the Southern Basin. In 1975-76 such sales totalled £12,000 of which Scotland accounted for £400 (4 per cent.). In addition, approximately £220 worth of town gas sold in Scotland was reformed natural gas.

MR. Peter Rost (Con., Derbyshire S.E.): When will the report be published of the Combined Heat and Power Group under the chairmanship of the chief scientist?

MR. Alex. Eadie, Under-Secretary, Members of the Group have recently completed a comprehensive analysis of the prospects for combined heat and power in the public sector in with the medium and long term, and will be reported on the whole principle of devolution. If the Bill were defeated, the Government would not immediately bring forward a new one.

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Mr. Edward Heath

front bench in the debate. He did not think it necessary to take what the spokesman had called the further cool and comprehensive look at the matter.

Cautiously, Mr. Heath added: "I have been doing that for a complete decade."

People outside would see the vote on second reading as a vote on the whole principle of devolution. If the Bill were defeated, the Government would not immediately bring forward a new one.

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Attitudes of shop floor managers can make or break a participation scheme. In this article Bill Roche, a leading shop steward, gives personal view on this and other problems in Leyland factories

Leyland's fight for survival

ANY ANALYSIS of the current problems of Leyland, one should first examine the great contribution being made by the trade union movement since 1971 the Leyland have some of the most successful and world-wide esteem behind them. My own plant, Pressed Steel of Cowley, is this year celebrating 30 years of making motor bodies. It pioneered the all-steel body



The Marina production line at Leyland's Cowley plant in Oxford

is important because we recognise that we are now in a battle for survival. The investment starvation caught up with us, and the reorganisation and rationalisation envisaged in the Report is needed for us to compete internationally. This is a task before us, and before the nation.

Following the collapse of the Leyland, the Ryder was reluctantly accepted by Leyland trade unions deep reservations. Its contents and recommendations are short of our aspirations. The submissions entered by unions to the Ryder Committee called for a much wider role of the company, with, for example, the components in the building of a true industrial democracy in the industry. We said that they should all come under full public ownership and with public accountability, which would be the building of a true industrial democracy in the industry.

But in the interest of 100 workers in British Leyland, and possibly as many in the associated companies, the trades unions gave a commitment to carry through the Ryder recommendations of the major challenges arose from these recommendations. It was the introduction of participation procedures—the "great unknown."

shell, once boasted the largest press shop in Europe, and was world-famed for the quality of its products. Why then did it fail? Not because of any weakness, inadequacy, or blood-mindedness of the workforce; not because of industrial disputes, for we have one of the best industrial relations records in the industry. No, the blame must lie with those who ran the business. Successive governments must also take a share of the blame, for too often they have used the motor industry as an economic regulator.

Managements made major managerial blunders—not only the lack of re-investment, or

failures in engineering and costing of models, but some disastrous industrial relations decisions. Not least here was the blind insistence on the introduction of measured day-work which, far from curing all ills, destroyed incentive without re-creating a substitute motivation.

Unfortunately, the only motivation to-day appears to be that of the survival of the company. But is this the right approach

the majority of the workforce to co-operate in the participation experiment, workers on the shop floor expected a dramatic change of attitude from the management.

On the other hand the management undoubtedly looked for a reciprocal change from the past attitudes among the workers—creating a classic "chicken and egg" situation.

But, with the best will in the world, the management, see their traditional role and authority eroded. Since the late 1960s they have gradually abandoned their traditional isolationism from the unions as staff, supervisory, and managerial union membership has become the order of the day. The managers have entered into agreements for example manning ratios covering the number of operators there should be for every foreman.

Then participation came along and it is my belief that, after the initial burst of enthusiasm, a cold reality took over. Years of "divine right to manage" were being challenged because a sharing of responsibility with shop floor workers, through the union representatives, could mean a reduction of status. This was coupled, I believe, with a general management view that participation cannot work.

So, the gradual process of entrenchment began, accompanied, I regret to say, in some areas by a positive resistance to the principle and ideals of participation. The result was that some groups of managers opted out and reverted back to their traditional roles. We must therefore ask how one can expect the worker to respond to his supervisors' demand for change knowing that the supervisors are not prepared to do likewise.

Because the expected change in management attitudes did not materialise, the workforce became disillusioned. In addition, almost simultaneously, with the setting up of the participation machinery, came the bombardment from some MPs, from the Central Policy Review Staff report, and the mass media in its most frenzied mood demanding instant cures for a disease created by years of neglect. Grossly unfair comparisons were quoted with European and other competitors. Small wonder the workforce reacted!

This raises the question of whether these joint committees are really operating with the spirit and intent of the Ryder recommendations. I believe it is fair to say that while there is (or, more correctly, was initially) a genuine desire of



Bill Roche, a senior shop steward at Leyland's Cowley body plant. He is also a national executive member of the Transport and General Workers' Union and is joint secretary of the car council which forms the top tier of Leyland's participation scheme.

INFORMATION FOR EMPLOYEES

Accountants see the need for fresh initiatives

BY MICHAEL LAFFERTY

THE DISCLOSURE of financial information to employees must be one of the most talked about and controversial issues in industry and the City to-day.

A significant contribution to the debate, which is not only forthright and simple but also practical came this week from the Hundred Group of leading chartered accountants in British industry and commerce.

The Hundred Group is not over-enthusiastic about using the existing type of written employee reports in every company as the sole method of communicating financial information to staff. As accountants, they probably recognise that these documents, no matter how well illustrated, are to a considerable extent already tainted as employer propaganda or as advertising vehicles. This raises the question of whether, if it is accepted that employees have a right to financial information, the figures they are given should be audited because some companies might be tempted to manipulate the figures.

Changes are now necessary. The workforce, through their unions, must be able to see evidence of fundamental change. The old consultative machinery must be replaced by a system of real involvement and responsibility which has the necessary authority to tackle some of the basic problems that exist between workers and management. After all, we may all accept the necessity for the assistance of managers, designers, engineers, draughtsmen and a host of other technical and administrative workers, but in the final analysis everyone is paid from the profit of vehicles that roll off the end of the production line.

Parkinson's Law has operated for too long. Management should take a long hard look at itself and its image. "Too many Chiefs and too few Indians" is a recipe for disaster. The motor industry and British Leyland in particular has in the past made a great contribution to Britain's manufacturing output and exports, and the trade unions are determined to ensure that it will continue to do so. The well-being of our members, and the well-being of the whole nation require the existence of a thriving motor industry which is an essential part of our manufacturing base. We have committed ourselves and the nation through Parliament to re-establish an expanding and viable motor industry.

Despite all the frustrations caused by failures, we must now take a positive and optimistic view, because the new British Leyland, with the support of the National Enterprise Board, must and will succeed.

Irrelevant.

But one should not necessarily assume that annual reports of any kind are the right of, or even the only documents that should be given to employees. Since they are usually based on overall group or company activity, annual reports are generally irrelevant to an employee in a factory or office hundreds of miles away from the corporate headquarters. It is in the context of looking for a better approach that the Hundred Group has some significant ideas.

Certainly graphs, bar charts, diagrams, video screens and company newspapers, should be used, it says. But the most effective procedure would be to ensure explanations and discussions through normal communications channels.

"More meaningful information could be conveyed by verbal presentation and explanation, coupled with aids,

If necessary, than by the sole distribution of the written word.

"In addition, owing to the sensitivity of the Stock Exchange and others over financial information which is given in places other than in annual reports and interim statements, data given verbally via slide or video presentation could provide a safeguard with advantages to the employees." The Group also states that if information is given on a localised basis it often ceases to be price-sensitive and to be of value to competitors. "While some small risks may have to be taken in this area, the value in securing fuller participation and hence more effective working far outweighs this disadvantage."

Definitions of all terms used in financial information should be self-explanatory and should, as far as possible, avoid technical jargon at all times. "While one should never appear to be talking down to employees, it is essential that the terminology used should not be so simplified as to be capable of differing interpretations, nor should it bear a propaganda or advertisement connotation."

To be of use to both the employee and employer alike, data needs to be more than just informative but almost motivational in the sense that it provokes inquiry, explanation, and even subsequent action, the report states. Consequently, it is recommended that facts and aims should be presented in a form that would become recognised by all employees.

The Hundred Group recognises that the principal reason for the lack of certain financial disclosures is the fear of the effect this would have on company security, whether it is related to matters of investment, credit or indeed competition, and would thereby affect the general commercial position of the company.

"On the other hand it seems essential, if employees are to be involved and kept informed, that all parts of a company's plan for the immediate future should be disseminated down the line without inhibiting this aspect of

- | | |
|----------------|-------------|
| THYLENE | STYRENE |
| ROPYLENE | PARAXYLENE |
| UTADIENE | ORTHAXYLENE |
| THYLENE GLYCOL | PHENYL |
| ENZENE | AMMONIA |
| OLUENE | METHANOL |
| YLENES | NAPHTHA |

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(Europe's biggest selling chemical industry weekly news journal.)

Ways to finance export trade

BY NICHOLAS LESLIE

A CONSIDERABLE proportion of the effort U.K. companies have to make to expand their exports and develop international trade may often involve overcoming problems of how best to finance such business. For some, it is a question of trying to understand the options that are available, while for others it may be that existing arrangements are proving unsuitable and they do not know the extent of the alternatives available.

One sector of the City which founded a simple form of finance for international trade is

the merchant banks. They have subsequently helped develop, particularly since the Second World War, a whole range of more sophisticated methods by which finance can be provided to fund goods being sent abroad or products being imported and one of the largest of these, Hambros Bank, has just published a book which sets out both to illustrate the importance of financial management within a company and the means by which this can be achieved. While it has been devised as an aid to its existing clients, it is also aimed at the financial manager or director of any British company already or about to be involved in foreign business.

The book, which is only 46 pages in length, assumes that the reader has some knowledge of international financing, but its presentation also has the elements of a "plain man's guide," with its use of simple diagrams to illustrate the way in which cash is not only raised but is transferred during the course of a deal.

The introduction explains that the book is designed to deal with those aspects of financial management which are inherent in international trade and with the techniques and facilities which can be deployed. We recognise separate, but largely inter-department elements—risk, credit, borrowing, cash flow and currency—each of which requires specific attention and deliberate management.

The book then goes on to outline why certain types of credit are used in export contracts and the legal standing of the different types.

The use of acceptance credits—first established last century by the merchant banks—is explained, as are ways of collecting cash, dealing in different currencies, insurance, exchange control, and the use of offshore trading companies.

International Trade, Hambros Bank, 41, Bishopsgate, EC2P 2AA.



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Union Bank of Switzerland

Notice to Holders of the 5% US\$ Convertible Notes 1976/81 of Union Bank of Switzerland (Luxembourg), Luxembourg

At the Extraordinary General Meeting held on November 29, 1976, the shareholders of Union Bank of Switzerland have approved to increase the share capital from SF 850 million to SF 950 million.

In conformity with the Terms and Conditions of the Notes, the conversion price has therefore been reduced to

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with effect as of November 30, 1976.

Upon conversion of any Note, there will be paid to the Noteholder in respect of each Note delivered for conversion a sum in dollars equal to the difference between the principal amount of US\$1,350 of such Note and the new conversion price.

Union Bank of Switzerland

POLITICS TO-DAY

BY DAVID WATT

The Left's blindness to the reds' light

THE CASE of Mr. Andy Bevan, presumably, his opponents Trotskyist—whose appointment would not bother the Labour Party as National Youth Officer. But to use the word "contradictory" is one of Mr. Bevan's little tricks.

He has some other, more serious, ones up his sleeve—the chief of which is to try to cast the mantle of a harmless, intellectual Marxism over all forms of Left-wing thought and action, including some that may not be harmless at all. This blurred distinction is one which the Labour Party itself has always made sharp in the past. For while it is perfectly true, as Mr. Bevan says, that Marx has been accepted as a legitimate influence, the Party has never adopted violent, or even genuinely "revolutionary," implications from his doctrines—and has, indeed, consistently refused to have anything to do with parties and sects who have preached them.

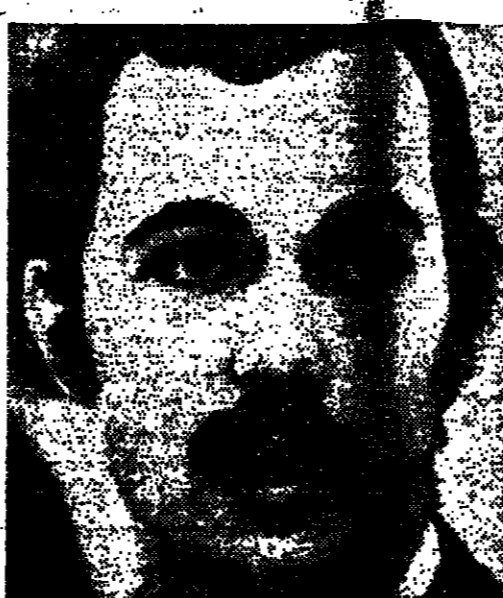
Class war

Mr. Bevan quite correctly cites the Social Democratic Federation (a Marxist group) as one of the founding constituents of the Labour Party; but he fails to point out that the SDF was obliged to withdraw after only a few years precisely because the Labour Party conference refused to accept the concept of "class war." Again, Mr. Bevan implies that the Communist Party itself has been opposed by Labour only because it has put up candidates against Labour in local and parliamentary elections, and because of its association with repression in the USSR and Eastern Europe. He does not choose to mention that the reason the CP was refused affiliation by Labour in 1922 was because its aims were not judged by the conference to be in accord with the "constitu-

tion, principles and programme" of the Labour Party. Subsequent history has shown that although there is no way of identifying individual Marxists within the Labour Party who carry their Marxism to revolutionary conclusions (since the handful who do so are usually wise enough to conceal the fact), the party as a body has kept its gradualist, democratic doctrines intact. This immediately puts it at variance with revolutionary groups of all kinds whether Trotskyist, Stalinist, Maoist or any other variety.

But there is another, subtler, point here. The Labour Party, being an old-fashioned child of the trade unions, defines itself to a considerable extent, as they do, in terms of its own organisational integrity. It exhibits a marked preference for a rule book containing many precise and ponderous procedures, but one great rule above all the rest—"He who is not with us is against us." For this reason, the party constitution turns a deliberate cold shoulder to all political organisations "having their own programme principles and policy for distinctive and separate propaganda." And having thus defined the enemy outside, it guards itself against infiltration by simply pronouncing that individuals who are already members of non-affiliated organisations cannot be members of the Labour Party.

There really are, therefore, two arguments against Bevan which are not only compatible but are actually more closely related than they seem. And they are neither of them arguments that Mr. Bevan makes at all. The first proposition advanced by Mr. Bevan's oppo-



Mr. Andy Bevan (left), the controversial Labour National Youth Officer, who was initially selected by a committee headed by Mr. Ron Hayward, the party's secretary (right).



nents, on the basis of the paper of its elusiveness, is indeed an "organisation having its own programme, principles and policy." The national agent to which it calls itself with which Mr. Bevan has been (to use Mr. Bevan's words) "closely associated" is a revolutionary group in a number of constituencies, subscribing to Trotskyist principles at variance not only with the traditions of the Labour Party but even with what its own publications call the "reformism" of the Tribune Group. In an individual member (not excluding, presumably Mr. Bevan), then the chances of Mr. Bevan of the Labour Party these opinions might be tolerable particularly if he kept his thoughts to himself; but Mr. Bevan was chosen as an important official and shows no sign of remaining silent.

The other argument is that the Militant tendency, in spite

of its elusiveness, is indeed an "organisation having its own programme, principles and policy." The national agent to which it calls itself with which Mr. Bevan has been (to use Mr. Bevan's words) "closely associated" is a revolutionary group in a number of constituencies, subscribing to Trotskyist principles at variance not only with the traditions of the Labour Party but even with what its own publications call the "reformism" of the Tribune Group. In an individual member (not excluding, presumably Mr. Bevan), then the chances of Mr. Bevan of the Labour Party these opinions might be tolerable particularly if he kept his thoughts to himself; but Mr. Bevan was chosen as an important official and shows no sign of remaining silent.

Unsettled

It is this possibility which has really unsettled the National Union of Labour Organisers, as

immediate objectives vis à vis change his vote in the NEC as the Party. Just as pre-war union leaders like, say, Ernest Bevin, loathed Communism in the first place because the Communists had tried to subvert his members and reduce his authority within the Transport and General Workers Union, so the modern party organiser, whether Marxist himself or far to the Right, has recognised an alien body within the walls and has instinctively moved to isolate it.

Short-sighted

The fact that they have failed to do so has virtually nothing to do with the technicalities of how Mr. Bevan came to be selected. Everyone knows that the original selection committee of three contained one centrist member of the NEC, who voted against the appointment: Mr. Ron Hayward, the Party Secretary, who voted for it (and has since admitted in private that he has made a mistake); and one trade unionist who allowed himself to be persuaded by Mr. Hayward. The appointment was provisionally passed by the NEC last October in a rush before the crucial vote on the social contract which the moderates won with the Chairman's casting vote. But all this could and would have been swept aside on Wednesday if the permanent left-wing majority on the NEC had not been determined to cash in on what they regard as an unenviable slice of good fortune. Votes in that body are invariably a matter of naked power and, as one old hand remarked the other day, "I have never known anyone

so obsessed by their battle with the Right that they cannot see further than the next tactical victory. Their enemy is the Labour Party which is more class-orientated and less gradualist and they believe that any one pushing in that direction must be a useful ally even if his aims are extreme. No doubt this is good revolutionary tactics but it may not be good sense. So far, it is true, the Militants have not made more than scattered inroads and, as I argued a few weeks ago, any scarey notion of a Labour Party riddled with reds is vastly premature. Nevertheless one is bound to wonder about the health of a party whose elected leaders are aping that far from being a party regard as an unenviable slice of good fortune. Votes in that body are invariably a matter of naked power and, as one old hand remarked the other day, "I have never known anyone

Letters to the Editor

Victims of access

The Deputy Chairman and Managing Director of Standard Telephones and Cables.

—Merge or fade away—seems to be the message to United Kingdom's most successful telecommunications manufacturing company from topper Lorenz's article (number 15). It seems a strange proposal that simply be it acknowledged to lead to research, manufacture and manpower management. Standard Telephones and Cables should make itself available for takeover by a Government-owned parent or that it be prepared to be frozen in the market place entirely. C is the UK's largest exporter of telecommunications equipment. It undertook the development of TCEA, a million of pounds of money on this country's need electronically controlled telephone exchange, and Britain's only manufacturer in service laboratories originated the idea of using laser light communications over optical cables. About 70 per cent of the undersea telephone cables—nearly all of them—owe their existence to STC. These are just a few of any activities that have STC to win the strong on it enjoys to-day. STC is more successful than competitors, it seems a pity its success should be denied the rest of the U.K. telecommunications industry by forcing company to be taken over putting it out of the business. The only reasons advanced for the proposal is that STC is too big to be kept in one country, and that it is a sensitive nation to itself.

As to the first, may I support Messrs. Harris and O'Regan and suggest that if a liability has been struck at largest, the real value of a liability due to inflation be shown in a set of accounts. Messrs. Harris and O'Regan (December 8) and others debate this in the abstract, while Mr. Campbell Jones (December 7 and 13), myself (November 22) and others, debate the application of this question to council housing.

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approval of parliament before making decisions of this sort, but perhaps ministers have authority over the expenditure of our money which does not need the say of parliament? B. A. Lewis, 47, Woodlands Avenue, New Malden, Surrey.

Inflation accounting

From Mr. R. S. Musgrave.

Sir,—Two arguments are going on in your columns which hinge on the same question, namely should a liability be shown in a set of accounts. Messrs. Harris and O'Regan (December 8) and others debate this in the abstract, while Mr. Campbell Jones (December 7 and 13), myself (November 22) and others, debate the application of this question to council housing.

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As to the first, may I support Messrs. Harris and O'Regan and suggest that if a liability has been struck at largest, the real value of a liability due to inflation be shown in a set of accounts. Messrs. Harris and O'Regan (December 8) and others debate this in the abstract, while Mr. Campbell Jones (December 7 and 13), myself (November 22) and others, debate the application of this question to council housing.

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Flags of convenience

From the Greek Minister of Mercantile Marine.

Sir,—I am referring to your issue of November 10, in which, under the title "U.K. merchant fleet will shrink," you highlight some statistical data furnished by Lloyd's Register of Shipping in its latest relevant publication.

In the same note, there is a personal comment of yours, regarding fleets which during the period July 1975-July 1976 marked the highest recorded increase. The Greek fleet is, very reasonably, included among these, but with the indication that it consists of a fleet flying a flag of convenience.

Without having any counter-arguments from my part, I would kindly ask you to inform me upon which criteria you place a flag as such of convenience, so that myself and everyone concerned in shipping matters might perhaps have an easy access to it.

Unless you have your own criteria (or unless you have based your assumption on purely false information or prejudice) I wish to provide you with six features which the United Kingdom Committee under Lord Rochdale (May 1970) identified in their Inquiry into Shipping, common to flag of convenience countries:—

(1) The country of registry allows ownership and/or control of its merchant vessels by non-citizens.

(2) Access to the registry is easy. A ship may usually be registered at a consul's office abroad. Equally important, transfer from the registry at the owner's option is not restricted.

(3) Taxes on the income from the ships are not levied locally or are low. A registry fee and an annual fee, based on tonnage, are normally the only charges made. A guarantee or acceptable understanding regarding future freedom from taxation may also be given.

(4) The country of registry is a small power with no national requirement under any foreseeable circumstances for all the shipping registered (but receipts from very small charges on a large tonnage may produce a substantial effect on its national income and balance of payments).

(5) Manning of ships by non-nationals is freely permitted; and

(6) The country of registry has neither the power nor the effective administrative machinery to impose any national or international regulations; nor has the country the wish or the power to control the companies themselves.

Under the circumstances, and provided you are in agreement with the above features, I would be grateful if you were kind enough to inform me which of them apply in the case of the Greek Merchant Marine.

A. Papadogiannis.

2, South Wharf, W.2.

From Mr. A. P. Hutchinson.

Sir,—Your correspondent Mr. Musgrave (December 7) epitomises all that is wrong with current economic thinking. His theory that one should "borrow the money to pay the interest" is not only sound but it is absurd. I would ask what he intends doing when all his sources of finance turn round and say "no more." He clearly considers, in this case, that the tax/rate payer is some kind of bottomless pit of money. I consider that this is not the case. The crux of his argument is that a monetary profit arises from holding net monetary liabilities. I appreciate that this topic has been very fully debated in your columns. I will merely state that I am in the camp that does not agree with this argument.

Mr. Musgrave then goes on to state that the debtor has no worries provided that the real value of the asset depreciates at the same rate as the debt. I would ask if he has sold a house purchased in the last three years. The debtor has, of course, one other avenue of hope, namely that he can meet the finance costs out of his earnings. In order to achieve this position and maintain it, his net disposable income must increase at the same rate as the rise in his personal cost of finance, Greece.

To-day's Events

English National Opera perform La Belle Hélène, Coliseum Theatre, WC2, 7.30 p.m.

Manchester, 2. Brooke Bond Liebig, London Press Centre, EC, 11.30. Brycourt Investments, Selfridge Hotel, W. 12, Fundinvest, 17, Old Broad Street, EC, 3. G. R. (Holdings), Chartered Accountants' Hall, EC, 12. Harley Baird, Winchester House, EC, 2.30. Hapworth (J.), Leeds, 11.15. Luread, Birmingham, 12. Manchester, 1. Love Lane, EC, 12.30. Pochin's, Middlesbrough, Cheshire, 12. Wolsley-Hughes, Droitch, Worcestershire, 11.30.

COMPANY RESULTS Cavenham (half year), Wilkinson Match (half year).

COMPANY MEETINGS Bakwin (H. J.), Winchester House, EC, 11.30. Berry Trust, Park House, 16, Finsbury Circus, EC, 12. British Debt Services, delivered within Britain.

PARLIAMENTARY BUSINESS House of Commons: Consideration of Northern Ireland Orders and emergency provisions, views informally on miners' vote for early retirement.

Mr. Piotr Jaroszewicz, Polish Prime Minister, ends three-day visit to U.K. Session of European Parliament ends, Luxembourg (until January 10).

Sir Robin Gifford, Lord Mayor of London, attends Royal Society of St. George's annual banquet, Mansion House, EC4.

Latest recommended posting date for Christmas parcels to be

Could you be getting a better deal in foreign currency?

When your business involves trading currencies in today's fluctuating markets, the last thing you can afford is uncertainty about the service you're getting from your dealers.

Why not find out exactly what Anglo-Portuguese Bank has to offer you?

It's a British Bank—a member of the Norwich Union Insurance Group—with many years of experience in the complex currency dealing markets of the world.

And with a policy of making every customer's account the direct responsibility of a senior manager, in order to guarantee top-level service with no delays.

Whether your problem is in the field of foreign currency or arbitrage the men to call are Bill Thorpe or Peter Beckett directly on 01-638 4711.

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7 Bishopsgate, London EC2N 3AB. Tel: 01-588 7575
Telex: 888218

EPC
£5.5m

The Financial Times Friday December 17 1976

Distillers tops £53m. midway

Loss at Burton dividend halved

ROFITS before tax, up from £25.1m to £53.2m, are reported by the Distillers Co. for the first 26 weeks ended September 30, 1976. Turnover amounted to £78.08m, against £341.21m. The Board states that sales of whisky and gin in home and overseas markets have been encouraging during the past few weeks. Prospects for the year as a whole continue to be viewed with reasonable confidence notwithstanding the duty increase which must tend to restrict home sales in the final quarter. The net interim dividend is 2.125p per share. Last year's total was 5.85p when pre-tax profits were £90.85m.

Half year—
1976 1975
Turnover £78.08 £341.21
Profit before tax £25.1 £90.85
Less: Provision for taxation £1.2 £4.5
Profit after tax £23.9 £86.3
Less: Dividend paid £1.2 £4.5
Profit retained £22.7 £81.8

Following the recent devaluations of the Australian and New Zealand currencies the conversion of net current assets in those countries into sterling now shows an exchange loss compared with the position at September 30. Had these devaluations taken place prior to that date the profit before tax for the six months would have been reduced by £2.5m.

Depletions of Scotch whisky in the U.S. were disappointing. However, shipments of group brands to that country and to world markets generally were above those in the same period last year. In the U.K. sales of Scotch whisky remain depressed and the group's market share showed no more than a gradual improvement from the low level experienced in the second half of last year. Industry and group gin sales in the U.K. fared rather better and export shipments were encouraging, the directors state.

WITH A second half loss of £2.4m compared with profits of £5.5m in the first half, Burton's 1976-77 financial year ended August 28, 1976, with a pre-tax deficit of £1.35m, against profits of £2.5m. The loss per 50p share is shown at 3.72p (earnings 6.24p) before extraordinary items and at 0.13p (earnings 7.3p) fully diluted.

The Board recommends a final dividend of 0.85p per 50p share, bringing the total to 1.125p per share, half last year's total payment of £254.8p. But for the Board's confidence, in the medium and long-term profitability, the final would not have been paid, says Mr. L. O. Rice, the new chairman.

1976-77 1975-76
Turnover includes VAT £105.75 £104.94
Less: VAT £10.25 £10.25
Net turnover £95.50 £94.69
Less: Depreciation £1.25 £1.25
Operating profit £94.25 £93.44
Less: Interest £1.25 £1.25
Profit before tax £93.00 £92.19
Less: Provision for taxation £1.25 £4.50
Profit after tax £91.75 £87.69
Less: Dividend paid £1.25 £4.50
Profit retained £90.50 £83.19

Other costs were made up of closure costs and redundancy payments of £1.2m (£1.2m), and reorganisation and development expenses of £841,000 (£250,000) less. Loan stock redemption costs of £1.2m (£1.2m).

Extraordinary items comprise an unrealised exchange deficit arising on conversion of net overseas borrowings of £1.08m (£0.67m), net of the gain on conversion of overseas assets and provisions of £0.10m (nil) for the losses on disposal of Greens Leisure Centres and further rationalisation overseas.

Mr. Rice says that the year's difficult trading conditions for most businesses, as well as the short-term cost of provision for important changes to improve prospects.

By the end of November the group had dealt with businesses which in 1975-76 had been responsible for operating losses of £2.4m. Kyren and Robinson were turned to profit; the loss-making Greens business was sold for £1.7m cash; and the unprofitable Orange Hand was closed. Browns of Chester was also sold for £2m, although it had recovered from the 1974-75 loss.

The economic situation and the long, hot summer reduced the volume of manufacturing for the third year. "The decline" was especially steep in suits, which are largely manufactured in the group's own factories and this was the main reason for the large manufacturing loss, which was increased by the short-term cost of investing in major improvements in methods, equipment, and design.

Matthew Hall expects to reach at least £4m.

JUMP in profits from £2.74m, not less than £4m, is forecast by Matthew Hall and Co., the industrial engineering group, for 1976.

In the first nine months last year's total has already been exceeded, a profit of £2.95m, operating with £1.5m for the period of 1975.

Robert Spelt, chairman, says the group has again exceeded expectations, especially in its electrical and electrical services, which have maintained strong operations and developed new fields successfully, despite low level of activity in the industry.

Opportunities overseas are explored, particularly in Middle East and in Africa. Australian subsidiary has made a significant contribution and has shown a steady improvement.

The engineering companies also have great progress during the year and are expanding activities process plant and engineering solutions.

Holland profits will exceed those of the previous year, but investment in Belgium is presently at a low ebb. Australia still affected by the difficult economic climate but there are signs of a recovery particularly mining.

Referring to SSAP, which is expected to be a success this year, Spelt says that the Board has made big investments in the North Sea development, and is attempting to build on that worldwide contract is expected in India very soon. At 55p the shares are standing on a prospective p/e of just over 5 while the yield is 11.2 per cent, and the return on assets somewhere over last year's 32 per cent.

Statement Page 32

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Midway rise for Kennedy Smale

An increase from £101,289 to £121,564 pre-tax profit is reported by Kennedy Smale for the first six months to September 30, 1976, and the directors anticipate a similar improvement in the second half.

They also intend to declare a dividend of 0.65p net and to follow this with a maintained final of 0.715p payable next October.

Sales for the half-year improved from £728,961 to £742,323. The profit is attributable to a tax of £28,214 (£28,676) and minorities £2,244 (£5,050).

For the year to March 31, 1976, pre-tax profit totalled £209,607. The group trades as engineers with interests in control equipment and textile machinery.

Upsurge at Plysu

IN THE 28 weeks ended October 15, 1976 Plysu, the plastic container and domestic ware group, has turned in profits, more than doubled at £400,000 compared with £224,000, bringing them within £63,000 of the record total for 1975-76.

With demand continuing at a record level, the directors look forward to maintaining the present rate of growth through this financial year and well into the future.

The interim dividend is raised from 0.442p to 0.488p net—it has been waived on 781,400 shares. The total for 1975-76 was 1.126p.

Group turnover showed a rise from £3.12m to £4.98m. After tax of £255,000 (£100,000) the net profit emerged at £235,000 compared with £106,000.

The improvement in demand during the second half for the products of the container division has continued and the group has been able to utilise fully the extra production capacity initiated eighteen months ago. "As a result we have seen a rise in sales of 55 per cent, giving a substantial increase in profit."

The housewares activity is still suffering from economic conditions and, for the time being,

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All of these Securities have been sold. This announcement appears as a matter of record only.

\$350,000,000

The Standard Oil Company

(an Ohio Corporation)

\$75,000,000 6½% Notes Due December 1, 1979
\$75,000,000 6½% Notes Due December 1, 1981
\$200,000,000 7½% Notes Due December 1, 1986

Interest payable June 1 and December 1

MORGAN STANLEY & CO.
Incorporated

THE FIRST BOSTON CORPORATION
Incorporated

MERRILL LYNCH, PIERCE, FENNER & SMITH
Incorporated

BACHE HALSEY STUART INC. **BLUTH EASTMAN DILLON & CO.** **DILLON, READ & CO. INC.**
Incorporated

DREXEL BURNHAM & CO. **HORNBLLOWER & WEEKS-HEMPHILL, NOTES**
Incorporated

E. F. HUTTON & COMPANY INC. **KIDDER, PEABODY & CO.** **KUHN, LOEB & CO.**
Incorporated

LAZARD FRERES & CO. **LEHMAN BROTHERS** **LOEB, RHOADES & CO.**
Incorporated

PAINE, WEBBER, JACKSON & CURTIS **REYNOLDS SECURITIES INC.**
Incorporated

SMITH BARNEY, HARRIS UPHAM & CO. **WARBURG PARIBAS BECKER INC.**
Incorporated

WERTHEIM & CO., INC. **WHITE, WELD & CO.** **DEAN WITTER & CO.**
Incorporated

December 15, 1976.

Unigate			
INTERIM REPORT			
for the 24 weeks ended 11th September, 1976			
The Directors of Unigate Limited announce the following unaudited results of the Group for the 24 weeks ended 11th September, 1976 compared with the figures for the 24 weeks ended 13th September, 1975 and the 52 weeks ended 27th March, 1976.			
	24 weeks to 11.9.76	24 weeks to 13.9.75	52 weeks to 27.3.76
Turnover	£M 385	£M 314	£M 763
Trading Profit	11.3	11.4	25.1
Prospective Margin Awards in respect of prior years	0.4	0.4	1.8
Associate Companies	0.1	0.1	0.2
Interest payable (net)	2.4	2.6	5.5
Profit Before Taxation	9.4	9.3	21.6
Taxation (Note 1)	4.3	4.5	9.3
Profit After Taxation	5.1	4.8	12.3
Profit attributable to Ordinary shareholders	4.9	4.6	11.9
Earnings per share	2.46p	2.31p	6.01p
Notes			
Taxation—U.K. Corporation tax at 52% (including deferred tax) of £3.9M, (1975 £4.6M); Overseas taxation £0.4M (1975 £0.1M credit).			
Interim ordinary dividend—The Directors have declared an interim dividend in respect of the 52 weeks ending 26th March, 1977, which will be paid on 1st April, 1977 to ordinary shareholders on the register at the close of business on 4th March, 1977.			
52 weeks ending 52 weeks ending			
	26.3.77	27.3.76	
Interim dividend per share	1.21p	1.10p	
Cost of net interim dividend	£2.4m	£2.2m	

RECENT ISSUES			
EQUITIES			
Issue Price	Amount	Latest Bid	1976 High/Low
11 F.P.	215	215	215/215
11 F.P.	215	215	215/215
FIXED INTEREST STOCKS			
Issue Price	Amount	Latest Bid	1976 High/Low
11 F.P.	215	215	215/215
11 F.P.	215	215	215/215
"RIGHTS" OFFERS			
Issue Price	Amount	Latest Bid	1976 High/Low
11 F.P.	215	215	215/215
11 F.P.	215	215	215/215

MEPC

A significant recovery

Highlights from the Statement by the Chairman, Sir Gerald Thorley, T.D., F.R.I.C.S. for the year ended 30th September, 1976

In this, my first statement as your Chairman, I am pleased to be able to report a significant recovery from the setbacks of 1975. A profit before taxation of £5.5m in 1976 against a loss of £3.6m in the previous year is the best item of good news that I have to report.

We have not been able to complete arrangements to restructure the group tax position and the resulting high level of tax, together with the appropriation for depreciation on overseas properties, has not allowed us to pay more than an interim dividend of 0.1p per Ordinary share. This payment is made solely to preserve the trustee investment status of the Company.

In addition, after extraordinary and other items, there has been a net increase in reserves of £2m which compares with the reduction last year of £4.5m.

DEVELOPMENTS

I regard our November announcement, that we are proceeding with the Buckingham Palace Road development as very significant. Other encouraging events were the settlement of our differences with the Sydney Stock Exchange and the arrangement of US \$38m finance to enable us to go ahead with the Exchange Centre development in Sydney, Australia. We also found substantial tenants for Blackfriars House in London and our office blocks in Paris.

RATING OF VACANT PREMISES

I would add my voice to the many which are now urgently seeking from the Government a relaxation of the imposition of rates on vacant premises. I believe

this charge to be a harmful and undesirable imposition on property owners, be they individuals or corporations, calling as it does for the payment of a form of taxation when there is no corresponding source of income.

RESIDENTIAL DEVELOPMENTS

The accounts for 1975 reflected very large losses from residential development in the United Kingdom which we then thought dealt with all the losses incurred in this activity. I regret that it has been necessary to charge a further loss in the Revenue Account for 1976.

VALUATION POLICY

We reviewed our valuation policy in the more certain conditions for investment properties prevailing in the earlier part of 1976 and we felt it would be helpful to the Company and to the investing public if we carried out a revaluation of the total portfolio of investment properties for incorporation in the Balance Sheet.

We accordingly instructed Messrs. Knight, Frank & Rudley and Jones Lang Wootton to revalue the whole of the investment properties at 31 August 1976. With regard to the development properties, we have maintained the same policy as last year.

FINANCE

Our financing policy continues to be one of caution. During the past year, new loans, representing for the most part drawings of existing facilities for our developments at Discovery Bay in Hawaii and Eurohaus, Frankfurt total the equivalent of £31m. At the same time we repaid loans of no less than the equivalent

of £69m. This policy of de-gearing is not immediately evident from our Accounts as the remaining loans appear at higher figures in our Balance Sheet due to the deterioration of the pound during the period under review.

Our programme of sale of investment properties has continued during the year and an amount of £16m has been realised in the UK. This has involved the sale of almost 100 properties at close to book value.

The recent rise in minimum lending rate will adversely affect our profits but it should be borne in mind that only about 10% of total borrowings of the Group are in the form of sterling variable rate loans. It is an interesting comment on the nature of the Group's borrowings that the average interest rate for all borrowings during the year under review was 8.3%. Your Company continues to enjoy substantial unsecured overdraft facilities in both the UK and Canada and at Balance Sheet date, the unsecured standby facility of US \$36m remained undrawn.

OVERSEAS

Our principal overseas subsidiary company, MEPC Canada, prospered in 1976. Earnings and cash flow from operations showed an increase of 11.4% and 15.5% respectively.

In Hawaii, we have completed on time and on budget our twin tower condominium project known as Discovery Bay.

MANAGEMENT AND STAFF

In this last financial year, which was full of change and unusual pressures, we have had to make exceptional demands on our management and staff and they have responded admirably. To all of them, at home and overseas, I extend, on behalf of the shareholders and directors, our sincere thanks and best wishes for 1977.

THE FUTURE

MEPC still has problems to resolve before it can return to satisfactory earnings. The current high interest rates and the diminished value of the £ are clearly beyond our control; to the extent that we are our own masters, we are creating the base for recovery which, viewed realistically, cannot be achieved faster than the surrounding economy allows.

SUMMARY OF RESULTS (£'000's)		1976	1975
Gross revenue		52,787	41,238
Revenue before taxation		5,480	3,646
Taxation		3,903	277
Earnings attributable to ordinary shareholders		—981	—566
Investment properties		651,748	646,993
Loan capital		420,829	404,069
Total share capital and reserves		243,275	241,269

If you would like to receive a copy of the 1976 Annual Report and Accounts, please write to the Company Secretary, MEPC Limited, Brook House, 113 Park Lane, London W1Y 4AY.

Growth at National and Northern Foods Assoc. Engineering on reaches £15.14m. target with 55% jump

WIDER INTEREST rate margins, almost unchanged volumes of sterling deposits and advances, and overall costs rising in line with inflation, were the three features of the 1975-76 operations of the National and Commercial Banking Group.

Sir James Blair-Cunninghame, chairman, explains that while the average base rate on a daily basis was lower, at 10.38 per cent, compared with 10.74 per cent, in the previous year, the margin between the retail deposit rate and the base rate was 4 per cent, for the whole of the year. It was reduced to 3.5 per cent, in the middle of September.

The total of sterling deposits was only slightly higher at the end of the year than in September 1975, while sterling advances also increased marginally. This reflected the severe recession and absence of the business confidence and prospects of profitability necessary to increase investment. Within these figures there was a rise in sterling current account balances and a closely corresponding reduction in higher cost bid deposits.

In the Royal Bank of Scotland Group the operating profit in 1975-76, excluding associates rose by 48 per cent to £31.47m. Sterling deposits remained virtually unchanged at £1,089m, while there has been an increase

of 55 per cent, in the sterling value of average currency deposits from £1,040m. to £1,610m. Average sterling advances have fallen slightly from £780m. to £752m, while the sterling equivalent of average currency advances increased by 23 per cent, from £1,390m. to £1,712m.

Williams and Glyn's Bank Group's operating profit, excluding associates, of £30.18m, shows a rise of 52 per cent. Average sterling deposits have fallen by 5 per cent, from £877m. to £833m, although the share of current account balances has increased, while average currency deposits rose by 15 per cent, from a sterling equivalent of £2,641m. to £3,039m, or 28 per cent.

The chairman says that the development of North Sea oil has continued to provide new business for the Royal Bank of Scotland during the past year but the pace of expansion has been noticeably slower. This was not unexpected since it was recognised that the oil companies would concentrate on the earliest discovered fields before the level of exploration and extraction began.

At Williams and Glyn's growth on international activities was restricted by the continued fall in sterling and the desirability of preserving a reasonable balance between the levels of sterling and currency assets. The bank has continued to maintain its reputation as one of the leading providers of export finance under the guarantees of the ECED.

Total assets of the group expanded from £3,340m. to £3,670m. in the year ended September 30, 1976. At the year-end deposits stood at £3,166m. (£2,911m.), while advances amounted to £2,325m. (£2,170m.).

Lloyds Bank holds 16.37 per cent, of the equity.

Meeting Edinburgh January 13 at noon.

Edbro up to £1.8m. midway

IN LINE with the forecast made at the AGM, profits more than doubled from £84,000 to £1.77m. are turned in by Edbro Holdings for the six months ended September 30, 1976; and for the second half a comparable result is forecast.

Earnings per 25p share are up from 5.31p to 12.44p and the interim dividend is raised by the permitted maximum—from 1.85p to 1.82p net. The total for 1975-1976 was 5.05p paid from profits of £234m.

Mr. L. V. Tindale, chairman, reports that order intake has fallen off and there is increasing evidence of a slackening in world-wide demand, particularly evident in orders from overseas. Home demand has been depressed for some time, and there are all the signs of overstocking in most territories.

TURNOVER for the year to September 30, 1976, of Northern Foods expanded from £132m. to £151.4m. and pre-tax profits jumped from £9.38m. to a peak of £15.14m.

Full year earnings are shown to be up from 7.88p to 9.77p per 25p share and the dividend total is lifted from 2.50p to the maximum permitted 2.75p net with a final payment of 1.78p.

On the liquid milk side, further progress was made resulting from extensive rationalisation and capital investment, with some benefits starting to flow from the acquisition of Clover.

Further investment in milk manufacture resulted in improved profits but a still inadequate return on capital. An improvement of over 57m. in liquidity resulted in a substantial increase in investment income and a reduction in borrowing costs. Capital investment continues to be extensive but is well covered by self-generated funds.

The directors state that profits in the early months of 1975-76 are ahead of 1974-75 and are expected to remain so for the first half. However, they say it is impossible to forecast for the full year because of the possible effects on sales of substantial price increases in the dairy and baking industries.

but brewing and baking should stay ahead. At 63p, the shares yield a well-covered 7 per cent, but the price is over 120 times earnings and further earnings progress, at least for the opening six months. The finance company might be down this year.

Unigate steady at halfway

PROFITS before tax of Unigate were little changed at £9.4m. against £9.3m. for the 24 weeks ended September 11, 1976, on turnover of £338m. (£314m.).

Earnings per share are 2.46p (2.31p) and the net interim dividend is lifted from 1.1p to 1.21p. The previous total was 2.771p from pre-tax profits of £21.6m. The first-half profit is struck after similar £4.4m. retrospective margin awards in respect of prior years, associate companies £1.1m. (same), and interest payable of £2.4m. (£2.6m.).

Solid growth overseas is balanced at Unigate by a less impressive performance at home where profits look more depressed than almost a sixth to judge by the U.K. tax charge. Milk profits made scant headway in the half-year under the impact of a falling sales volume, but the main problem has been a depressed cheese market. Meat is ahead with Bowers (sausages, pies) offsetting continuing problems at Scott (cooked meat) and the engineering divisions have made a steady start to the year. Demand for milk is now very flat indeed. There is the prospect of some useful retrospective margin awards but at 41p a well-covered prospective yield of 11.8 per cent is assigned to a year of marginal earnings growth.

AT £21.55m. PROFITS of Associated Engineering for the year ended September 30, 1976, are marginally better than the estimate of £21m. made a month ago at the time of the 25p rights issue. Compared with 1974-75 they represent an advance of 53.6 per cent.

In terms of margins the profit before interest of £25.4m. (£18.63m.) represents an increase from £9.1 to 10.1 per cent on sales ahead from £206.61m. to £222.31m.

At the net attributable level profits emerged 59.5 per cent up at £9.88m. producing earnings per 25p share of 13.5p against 10.6p. As foreshadowed at the time of issue the final dividend is 2.25p raising the total from 3.66p to 4.02p.

In a lengthy statement accompanying the results Mr. J. N. Ferguson, chairman, confirms what he said last month that based on current order books and expected demand he anticipated a further significant increase in profits for 1976-77, and with Treasury approval it was intended to lift the dividend total to 4.62p.

A year ago shareholders' funds represented £58m., deferred tax £13m., borrowings of £53m. By March shareholders' funds had risen to £62m., the deferred tax £13m., and there had been a £1m. rise in borrowings to £54m. At the end of the year shareholders' funds were £67m., deferred tax the office of the company had increased a little further to £13m., but borrowings were unchanged at £54m.

part of the total at 41 per cent against 37 per cent in 1974-75.

Explaining the major reasons behind the profit increase the chairman says that the sales rise contributes about £2.5m. The improved margin contributes about £2.5m. and has been achieved by improved efficiency, growth compared with 40 per cent in the first. The most important factor, however, is the result of capital in the most important part of the total at 41 per cent against 37 per cent in 1974-75.

Mr. Ferguson feels that the most encouraging feature of the year was the situation at Covrad where a small trading profit was achieved compared with a loss of £180m. Although much remains to be done here this outlook is expected to make further progress in the current year.

The group balance sheet shows that total capital employed at September 30, 1976, was £124m. compared with £117m. at March 31, 1976, and £104m. at September 30, 1975.

On December 15, 1976, the company appointed Mr. R. H. S. 13m. borrowings of £53m. By March shareholders' funds had risen to £62m., the deferred tax £13m., and there had been a £1m. rise in borrowings to £54m. At the end of the year shareholders' funds were £67m., deferred tax the office of the company had increased a little further to £13m., but borrowings were unchanged at £54m.

Investment Trusts Explain

This important new book on a major investment market has been written by A. A. Arnold, a director of Toulson Remnant & Co., and is published in co-operation with The Association of Investment Trust Companies by W. H. Freeman & Co. Ltd.

Copies are available from the Association in paperback £2.95 + 35p postage and packing; and hardback, £3.75 + 40p.

The Association of Investment Trust Companies, Park House, (Sixth Floor), 16 Finsbury Circus, London EC2M 7JJ.

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INVESTMENT TRUST COMPANIES

The information in the columns below is supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures, which are in pence except where otherwise stated, are unaudited.

Total Assets less current liabilities (1)	Company (2)	Shares or Stock (3)	Date of Valuation (4)	Annual Dividend (5)	Net Asset Value after deducting prior charges at nominal value (6)	Net Asset Value after deducting prior charges at market value (7)	Investment Currency Premium (see note 6) (8)	Total Assets less current liabilities (1)	Company (2)	Shares or Stock (3)	Date of Valuation (4)	Annual Dividend (5)	Net Asset Value after deducting prior charges at nominal value (6)	Net Asset Value after deducting prior charges at market value (7)	Investment Currency Premium (see note 6) (8)
Pence except where £ stated (see note d)															
117.8	VALUATION MONTHLY	Ord. Stock 25p	30/11/76	3.33	213.9	225.6	34.8	4.5	Henderson Administrators Ltd. (cont'd.)	Ordinary 25p	30/11/76	1.2	78.0	77.1	
20.1	Alliance Trust	Ord. & "B" Ord. 25p	30/11/76	3.33	123.9	128.6	16.8	4.8	Mendip Investment	Ordinary 25p	30/11/76	1.75	46.1	44.1	
6.6	Capital & National Trust	Ordinary 50p	30/11/76	2.75	68.2	68.2	1.2	1.6	Lowland Investment	Ordinary 25p	30/11/76	1.5	26.7	26.5	
6.6	Claverhouse Investment Trust	Ordinary 25p	30/11/76	2.6	60.5	60.5			English National Investment Co.	Ordinary 25p	30/11/76	1.1	31.7	30.2	
3.7	Crosshairs Trust	Ordinary 25p	30/11/76	3.8	50.7	50.7		13.1	Do. Do.	Ordinary 25p	30/11/76	2.3	382.5	38.9	
11.7	Direct Spanish Telegraph	Ordinary 25p	30/11/76	2.0	57.6	59.5	4.5	8.2	Philip Hill (Management) Ltd.	Ordinary 25p	30/11/76	3.85	124.9	125.3	
68.9	Dundee & London Investment Trust	Ordinary 25p	30/11/76	4.93	217.0	221.4	28.7	117.1	City & International Trust	Ordinary 25p	30/11/76	2.5	77.1	80.8	
34.6	Edinburgh Investment Trust	Ordinary 25p	30/11/76	1.2	58.3	62.4	14.9	39.3	General Cons. Investment Trust	Ordinary 25p	30/11/76	5.75	151.3	137.6	
4	First Scottish American Trust	Ordinary 25p	30/11/76	2.3	91.7	94.9	7.6	30.4	Philip Hill Investment Trust	Ordinary 25p	30/11/76	2.35	58.5	59.6	
48.9	George Trust	Ordinary 25p	30/11/76	1.96	74.3	79.9	7.8	84.3	Moorgate Investment Co.	Ordinary 25p	30/11/76	6.45	308.5	221.1	
47.0	Guardian Investment Trust	Ordinary 25p	30/11/76	4.94	218.7	226.5	33.3	29.0	Nineteen Twenty-Eight Inv. Trust	Ordinary 25p	30/11/76	1.6	35.5	70.4	
26.4	Investment Trust Corporation	Ordinary 25p	30/11/76	0.8	189.0	189.0	23.2	20.1	Ivory & Sims	Ordinary 25p	30/11/76	0.75	100.1	103.3	
74.4	Investors Capital Trust	Ordinary 25p	30/11/76	4.3	192.3	197.5	13.0	29.0	British Assets Trust	Ordinary 25p	30/11/76	0.4	80.9	88.3	
26.4	Jardine Japan Investment Trust	Ordinary 25p	30/11/76	2.7	113.1	117.9	16.0	12.1	Edinburgh American Assets Trust	Ordinary 25p	30/11/76	0.75	84.4	94.4	
26.4	London & Holyrood Trust	Ordinary 25p	30/11/76	4.5	232.9	238.0	33.0	3.3	Atlantic Assets Trust	Ordinary 25p	30/11/76	1.0	94.4	94.4	
19.3	London & Montrose Investment Trust	Ordinary 25p	30/11/76	0.8	32.9	38.3	2.1	2.6	Viking Resources Trust	Ordinary 25p	30/11/76	0.75	94.4	94.4	
38.8	London & Provincial Trust	Ordinary 25p	30/11/76	4.50	232.90	238.00	33.0	3.3	Leopold Joseph & Sons Ltd.	Ordinary 50p	30/11/76	1.0	209.3	247.5	
38.8	Mercantile Investment Trust	Ordinary 25p	30/11/76	1.2	60.4	60.4	16.3	22.6	Leopold Joseph Investment Trust	Ordinary 25p	30/11/76	1.25	24.7	70.5	
41.0	Do. Do.	Ordinary 25p	30/11/76	2.45	102.4	107.0	17.8	22.6	Thames Investment Trust	Ordinary 50p	30/11/76	2.4	252.5	256.5	
41.0	Northern American Trust	Ordinary 25p	30/11/76	2.05	102.4	107.0	17.8	22.6	Keyser Ullmann Ltd.	Ordinary 25p	30/11/76	3.825	44.2	49.1	
41.0	State & Prosperity Linked Invest. Trust	Ordinary 25p	30/11/76	2.05	102.4	107.0	17.8	22.6	Thornthorpe Trust	Ordinary 25p	30/11/76	2.0	77.5	82.4	
41.0	Scottish Investment Trust	Ordinary 25p	30/11/76	2.05	102.4	107.0	17.8	22.6	Secured Growth Trst	Ordinary 25p	30/11/76	2.0	77.5	82.4	
41.0	Scottish Northern Investment Trust	Ordinary 25p	30/11/76	2.05	102.4	107.0	17.8	22.6	Lazard Bros. & Co. Ltd.	Ordinary 25p	30/11/76	2.0	77.5	82.4	
41.0	Scottish United Investors	Ordinary 25p	30/11/76	2.05	102.4	107.0	17.8	22.6	Embankment Trust	Ordinary 25p	30/11/76	2.0	77.5	82.4	
41.0	Second Alliance Trust	Ordinary 25p	30/11/76	2.05	102.4	107.0	17.8	22.6	Raeburn Investment Trust	Ordinary 25p	30/11/76	2.0	77.5	82.4	
41.0	Shires Investment Co.	Ordinary 25p	30/11/76	2.05	102.4	107.0	17.8	22.6	Do. Do.	Ordinary 25p	30/11/76	2.0	77.5	82.4	
41.0	Sterling Trust	Ordinary 25p	30/11/76	2.05	102.4	107.0	17.8	22.6	Romney Trust	Ordinary 25p	30/11/76	2.0	77.5	82.4	
21.5	Technology Investment Trust	Ord. & "B" Ord. 25p	30/11/76	1.0	42.5	43.2	3.6	32.7	Martin Currie & Co. C.A.	Ordinary 25p	30/11/76	2.0	77.5	82.4	
26.2	United British Securities	Ordinary 25p	30/11/76	8.53	219.3	222.4	16.1	14.7	Canadian & Foreign Invest. Trust	Ordinary 25p	30/11/76	2.0	77.5	82.4	
102.3	Baillie Gifford & Co.	Ordinary 25p	30/11/76	2.4	126.3	129.1	18.4	14.7	St. Andrew Trust	Ordinary 25p	30/11/76	2.0	77.5	82.4	
78.7	Scottish Mortgage & Trust	Ordinary 25p	30/11/76	2.4	126.3	129.1	18.4	14.7	Scottish Eastern Investment Trust	Ordinary 25p	30/11/76	2.0	77.5	82.4	
50.3	Edinburgh & Dundee Investment	Ordinary 25p	30/11/76	1.15	58.8	59.9	7.9	20.2	Scottish Ontario Investment Co.	Ordinary 25p	30/11/76	2.0	77.5	82.4	
50.3	Monks Investment Trust	Ordinary 25p	30/11/76	1.15	58.8	59.9	7.9	20.2	Securities Trust of Scotland	Ordinary 25p	30/11/76	2.0	77.5	82.4	
29.3	Winterbottom Trust	Ordinary 25p	30/11/76	1.15	58.8	59.9	7.9	20.2	Western Canada Investment Co.	Ordinary 25p	30/11/76	13.0	583.5	571.0	
21.1	Baring Bros. & Co. Ltd.	Ordinary 25p	30/11/76	1.923	98.7	106.4	12.5	2.6	Murray Johnstone Ltd.	Ord. & "B" Ord. 25p	30/11/76	1.4	77.6	82.2	
21.1	Outwith Investment Trust	Ordinary 50p	30/11/76	10.3	787.5	791.9	149.3	38.5	Clydesdale Investment Trust	Ord. & "B" Ord. 25p	30/11/76	1.45	74.8	78.2	
21.1	Tribune Investment Trust	Ordinary 50p	30/11/76	10.3	787.5	791.9	149.3	38.5	Glendevon Investment Trust	Ord. & "B" Ord. 25p	30/11/76	1.45	74.8	78.2	
12.7	Crimps Warburg Ltd.	Ordinary 10p	30/11/76	1.4	83.5	83.5	8.4	13.3	Glendevon Investment Trust	Ord. & "B" Ord. 25p	30/11/76	1.45	74.8	78.2	
2.1	Sizewell European Invest. Trust	Ordinary 10p	30/11/76	0.35	61.4	61.4	8.8	13.3	Glendevon Investment Trust	Ord. & "B" Ord. 25p	30/11/76	1.45	74.8	78.2	
4.4	Atlanta, Baltimore & Chicago	Ordinary 10p	30/11/76	0.4	73.6	73.6	10.3	13.3	Glendevon Investment Trust	Ord. & "B" Ord. 25p	30/11/76	1.45	74.8	78.2	
3.1	West Coast & Texas Regional	Ordinary 10p	30/11/76	0.4	73.6	73.6	10.3	13.3	Glendevon Investment Trust	Ord. & "B" Ord. 25p	30/11/76	1.45	74.8	78.2	
38.5	Edinburgh Fund Managers Ltd.	Ord. & "B" Ord. 25p	30/11/76	1.0	42.5	43.2	3.6	32.7	Glendevon Investment Trust	Ord. & "B" Ord. 25p	30/11/76	1.45	74.8	78.2	
17.1	American Trust	Ordinary 50p	30/11/76	1.0	42.5	43.2	3.6	32.7	Glendevon Investment Trust	Ord. & "B" Ord. 25p	30/11/76	1.45	74.8	78.2	
128.1	Electra House Group	Ordinary 25p	30/11/76	4.2	139.7	140.1	9.5	16.2	Glendevon Investment Trust	Ord. & "B" Ord. 25p	30/11/76	1.45	74.8	78.2	
56.1	Do. Do.	Ordinary 25p	30/11/76	5.25	114.30	114.90	28.00	22.3	Glendevon Investment Trust	Ord. & "B" Ord. 25p	30/11/76	1.45	74.8	78.2	
98.7	Electra Investment Trust	Ordinary 25p	30/11/76	3.8	103.9	106.3	8.9	22.3	Glendevon Investment Trust	Ord. & "B" Ord. 25p	30/11/76	1.45	74.8	78.2	
17.0	Globe Investment Trust	Ordinary 25p	30/11/76	3.35	289.7	296.0	46.0	38.0	Glendevon Investment Trust	Ord. & "B" Ord. 25p	30/11/76	1.45	74.8	78.2	
8.3	Do. Do.	Ordinary 25p	30/11/76	2.50	171.10	176.10	14.80	22.7	Glendevon Investment Trust	Ord. & "B" Ord. 25p	30/11/76	1.45	74.8	78.2	
8.3	Telephone & General Trust	Ordinary 25p	30/11/76	2.00	115.6	117.8	14.8	22.7	Glendevon Investment Trust	Ord. & "B" Ord. 25p	30/11/76	1.45	74.8	78.2	
13.4	Do. Do.	Ordinary 25p	30/11/76	2.00	115.6	117.8	14.8	22.7	Glendevon Investment Trust	Ord. & "B" Ord. 25p	30/11/76	1.45	74.8	78.2	
13.4	Temple Bar Investment Trust	Ordinary 25p	30/11/76	4.5	116.1	117.8	14.8	22.7	Glendevon Investment Trust	Ord. & "B" Ord. 25p	30/11/76	1.45	74.8	78.2	
13.4	Do. Do.	Ordinary 25p	30/11/76	5.75	181.90	189.70	54.60	53.3	Glendevon Investment Trust	Ord. & "B" Ord. 25p	30/11/76	1.45	74.8	78.2	
13.4	F & C Group	Ordinary 25p	30/11/76	15/11/76	2.085	98.9	102.5	13.4	Stewart Fund Managers Ltd.	Ordinary 50p	30/11/76	1.8	70.3	74.8	
13.4	Alliance Investment	Ordinary 25p	30/11/76	3.0	104.5	112.6	11.7	13.0	Scottish American Investment Co.	Ordinary 25p	30/11/76	1.1	46.8	46.8	
4.9	Cardinal Investment Trust	Ordinary 25p	30/11/76	88.00	288.80	294.40	23.40	98.5	Scottish European Investment Co.	Ordinary 25p	30/11/76	1.3	50.3	52.7	
136.2	Do. Do.	Ordinary 25p	30/11/76	0.6	56.4	56.4	11.5	23.1	Touche, Renmant & Co.	Ordinary 25p	30/11/76	2.0	52.7	57.9	
21.7	F & C. Eurotrust	Ordinary 25p	30/11/76	2.58	164.8	173.7	29.6	122.5	Atlas Electric & General Trust	Ordinary 25p	30/11/76	1.6	59.0	64.4	
136.2	Foreign & Colonial Invest. Trust	Ordinary 25p	30/11/76	3.18	98.9	105.0	9.0	25.1	Bankers' Investment Trust	Ordinary 25p	30/11/76	2.1	63.3	68.1	
136.2	General Investors & Trustees	Ordinary 25p	30/11/76	3.18	98.9	105.0	9.0	25.1	CLRP Investment Trust	Ordinary 25p	30/11/76	2.1	63.3	68.1	
136.2	James Finlay Investment Mgmt. Ltd.	Ordinary 25p	30/11/76	3.18	98.9	105.0	9.0	25.1	Cedar Investment Trust	Ordinary 25p	30/11/76	2.1	63.3	68.1	
136.2	Provincial Cities Trust	Ordinary 25p	30/11/76	3.18	98.9	105.0	9.0	25.1	City of London Brewery	Ordinary 25p	30/11/76	2.1	63.3	68.1	
136.2	Gartmore Investment Ltd.	Ordinary 25p	30/11/76	3.18	98.9	105.0	9.0	25.1	Continental Union Trust	Ordinary 25p	30/11/76	2.1	63.3	68.1	
136.2	Altitude	Income 50p	30/11/76	6.75	101.4	101.4		127.7	Industrial & General Trust	Ordinary 25p	30/11/76	2.1	63.3	68.1	
136.2	Do. Do.	Capital 50p	30/11/76	0.8375	118.2	118.2		127.7	International Investment Trust	Ordinary 25p	30/11/76	2.1	63.3	68.1	
136.2	Anglo-Scottish Investment Trust	Ord. & "B" Ord. 25p	30/11/76	1.15	42.5	43.9	3.0	35.4	Sphere Investment Trust	Ordinary 25p	30/11/76	2.1	63.3	68.1	
136.2	Ashtree Investment Trust	Ordinary 25p	30/11/76	1.23	35.0	36.0		24.9	Standard Trust	Ordinary 25p	30/11/76	2.1	63.3	68.1	
136.2	English & Caledonian Investment	Ordinary 25p	30/11/76	1.23	35.0	36.0		24.9	Trust Union	Ordinary 25p	30/11/76	2.1	63.3	68.1	
21.3	English & Scottish Investors	Ord. & "B" Ord. 25p	30/11/76	1.35	77.3	81.5	8.1	43.0	Trustees Corporation	Ordinary 25p	30/11/76	2.1	63.3	68.1	
21.3	Group Investors	Ord. & Defd. 25p	30/11/76	1.35	77.3	81.5	8.1	43.0	VALUATION THREE-MONTHLY	Ordinary 25p	30/11/76	1.75	42.8	43.9	
14.6	London & Gartmore Invest. Trust	Ordinary 25p	30/11/76	0.24	68.6	76.7	14.0	25.6	Do. Do.	Ord. Stock 25p	30/11/76	3.575	189.6	188.5	
14.6	London & Lennors Invest. Trust	Ord. & "B" Ord. 25p	30/11/76	1.99	72.9	82.6	12.1	7.2	Do. Do.	Ordinary 25p	30/11/76	3.21	60.6	63.0	
9.9	London & Lombard Invest. Trust	Ordinary 25p	30/11/76	1.83	72.9	82.6	12.1	7.2	Do. Do.	Ord. Stock 25p	30/11/76	2.98	93.8	99.8	
9.9	London & Strathclyde Trust	Ordinary 25p	30/11/76	1.83	72.9	82.6	12.1	7.2	Do. Do.	Conv. Ln. Stk. 1983	28/10/76	55.00	1105.40	1104.80	
9.9	Meldrum Investment Trust	Ordinary 25p	30/11/76	1.5	38.5	36.5	0.9	3.4	City Financial Administration Ltd.	Ordinary 25p	30/11/76	1.75	42.8	43.9	
8.4	Menteth Investment Trust	Ordinary 25p	30/11/76	0.32	13.7	13.7	0.6	3.4	Acorn Securities	Capital Ord. 1p	28/11/76	6.93	60.3	60.3	
8.4	New York & Gartmore Investment	Ordinary 25p	30/11/76	0.33	39.6	39.6	3.3	13.1	General Funds Investment	Ordinary 25p	25/11/76	2.25	158.6	158.6	
36.3															



We are investing in Britain's future.

The Annual General Meeting of the Shareholders of National and Commercial Banking Group Limited will be held in the North British Hotel, Edinburgh, on Thursday, 13th January 1977, at 12 noon. The following is from the Statement by Sir James Blair-Cunynghame, OBE, LL.D, DSE, Chairman of the Board.

THE YEAR'S OPERATIONS

Three features of the year's operations were common to the experience of both member banks, Royal Bank of Scotland and Williams & Glyn's Bank. These were wider interest rate margins, almost unchanged volumes of sterling deposits and advances and overall costs rising in line with inflation.

Firstly while the average base rate on a daily basis was lower, the margin between the retail deposit rate and base rate was 4 per cent. for nearly the whole of the financial year. It was reduced to 3½ per cent. in the middle of September. Secondly the total of sterling deposits was only slightly higher at the end of the year than in September 1975 while sterling advances also increased marginally. This reflected the severe recession and absence of the business confidence and prospects of profitability necessary to increase investment. Thirdly total costs rose by around 17 per cent.

Royal Bank of Scotland Group: The operating profit, excluding the share of associated companies, was £31,478,000, or 46 per cent. higher than the previous year. Apart from the element of the rise in the currency lending due to the depreciation of sterling, there has been a further increase in the Royal Bank of Scotland's international business. Included in this activity has been assistance for the financing of exports and oil. The development of North Sea oil operations has continued to provide new business but the pace of expansion has been noticeably slower.

Williams & Glyn's Bank Group: The operating profit, excluding the share of associated companies, of £20,183,000 shows a rise of 82 per cent. Williams & Glyn's Bank has continued as one of the leading providers of export finance under the guarantees of the Export Credits Guarantee Department, including a number of buyer credit facilities.

GENERAL ECONOMIC CLIMATE AND BANKING

British banking and the financial system continue to be under scrutiny. The long-standing debate about how best the financial sector can serve the needs of industry has been focused by the Labour Party's endorsement of the National Executive Committee's proposals to nationalise the four

largest London clearing banks, a merchant bank and certain insurance companies. The Prime Minister's firm rejection of this as a part of Government policy has been followed by the announcement of a Committee under Sir Harold Wilson to consider the role of the City and financial institutions, including the possible extension of the public sector, and to make recommendations. The Royal Bank of Scotland and Williams & Glyn's Bank look forward to joining the other London and Scottish clearing banks in giving evidence to the Wilson Committee.

Last year I tried to explain why the United Kingdom lagged so far behind other countries in coping effectively with her economic difficulties, suggesting that this was largely due to deep-seated pressures arising from rapid and sizeable social change within a country dependent for economic progress upon successful international competition in goods and services. Further evidence of this is provided by the widespread failure to recognise the extent of the conflict between widely accepted social objectives and

realistic economic prospects. This represents the most serious problem of our time.

The gravity of the situation and the simplicity of the principal underlying reasons for it – that our productivity is much lower than that of our principal competitors and that we are spending more than we are earning – mean however that quick remedies, such as nationalising the banks and insurance companies, are completely irrelevant to the poor economic performance of this country.

THE SCOTTISH ECONOMY

All I have said about the deficiencies of the United Kingdom's economy applies with equal force to Scotland where there must also clearly be painful adjustments to both economic structure and attitudes.

It is difficult to comment meaningfully upon the Scottish economy without referring to devolution. There is a widespread fear that it might lead to independence which, on the basis of all available economic evidence, would be highly damaging to the United Kingdom economy as a whole. If a Scottish Assembly were to be established the time might then be ripe for an early referendum in Scotland on the question of total independence, so as to clear up this issue once and for all.

THE FUTURE

Our poor economic performance, indicated by lamentably low productivity compared with our principal competitors, has been long outstripped by the social and political objectives which we have adopted. Continuing attempts to bridge the gap between what we earn and what we want by borrowing have inevitably resulted in inflation and lack of confidence in the £ sterling. Nevertheless it is the growing recognition of the nature of these difficulties which provides the best hope for the future. People will accept the consequences of severe measures which are bound to reduce standards of living provided they are confident that in practice these will be fairly applied and thus that all will bear the burden equally.

For the future therefore unless we assume that a challenge along these lines will evoke a sufficiently general response to reverse present economic and business trends there is no hope whatever. Such a conclusion is no reflection of the thinking and aims of the next generation at all levels and in all occupations throughout the country. It is fortunate that while older people may be too ready to remember the lessons of history the young believe they are making it. This belief will help to provide the confidence and determination which are critically necessary to tackle the daunting difficulties presently confronting the United Kingdom.

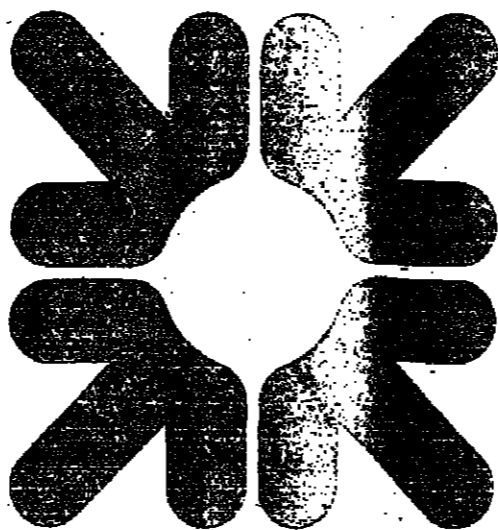
5th November 1976.

Salient Figures

	1976	1975
Group profit after charging additional provisions but before taxation and extraordinary items	£57,720,000	£37,233,000
Profit after taxation but before extraordinary items	£27,884,000	£17,523,000
Earnings per 25p ordinary share	12.4p	7.8p
Dividend per 25p ordinary share	2.3573p	2.143p
Deposits and customers' current accounts (including notes in circulation)	£3,306,633,000	£3,042,126,000
Total assets	£3,677,529,000	£3,344,803,000

Copies of the Directors' Report and Accounts containing the Chairman's full Statement may be obtained from The Secretary, National and Commercial Banking Group Limited, 36 St. Andrew Square, Edinburgh EH2 2YB.

**National and
Commercial
Banking Group**
LIMITED



**The Royal Bank of
Scotland Limited**

**WILLIAMS & GLYN'S
BANK LIMITED**

INTERNATIONAL FINANCIAL COMPANY NEWS

Commerzbank indicates 'satisfactory' year

ADRIAN DICKS

Commerzbank, last of the "three" West German banks to report on its business for the first ten months of the year, expects a "satisfactory" result for the year as a whole, according to a letter to shareholders filed on 16 December.

The bank's net profit for the first ten months of the year was DM2,650m. (\$853m.), compared with DM2,400m. (\$800m.) for the same period last year.

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AMEV discloses plans for expansion

By Michael Van Os

AMSTERDAM, Dec. 16.

AMEV, the Dutch insurance company, has decided to establish a new subsidiary, AMEV Hypotheekbank, which marks an expansion into the mortgage loan field.

The company has issued and fully paid-up capital of Fl.5m., says a statement released by AMEV in Utrecht where the company is based.

AMEV management Board member Mr. Nengerman commented that the insurance company was now able to offer a more complete financial service to its customers.

He also disclosed that AMEV hoped to be able to start activities in the life insurance sector in the near future.

At the beginning of next year, the company follows in the path of Nationale-Nederlanden which has expanded strongly in that sector in the U.S.

Aftermath hits

Wheelock shares

Wheelock Marden fell 15 cents to \$2.50 today following the withdrawal of Hong Kong Land from its previously expressed interest in making an offer for Philip Morris.

Just after announcements in October that both Hong Kong Land and Hutchison were interested in acquiring Wheelock, the shares hit \$3.

It is thought here that the reorganisation proposals which Wheelock has now promised to involve executive directors John Marden and John Cheung retiring into non-executive positions and new management being hired. However, as yet all is merely in the realms of speculation.

THOMSON-CSF

On December 10 the Financial Times stated that Ericsson by way of "dowry" had brought Thomson a first half loss of Frs.50m. In fact, the attributable loss was limited to \$8m., since the Thomson stake in Ericsson was only 15 per cent.

AMERICAN COMPANIES

Massey's net income climbs 19%

BY JAMES SCOTT

PROFIT of Massey-Ferguson for the year ended October 31 climbed to \$US117.9m. (\$6.04 a share), the highest percentage of sales since 1966. This compares with a restated net profit in the previous year of \$86.54m. or \$5.32 a share. Sales were \$2,770m. compared with \$2,510m.

The deterioration of a number of currencies reduced the worldwide sales figure, the company said, but improved sales resulted in all areas except Africa. In Europe they rose to \$890m. from \$813m. a year earlier, and in North America they climbed to \$655m. from \$746m., an increase of 16 per cent.

Overall, sales of Massey-Ferguson farm and construction equipment and diesel engines outside Canada amounted to \$2 per cent. of its world volume. Although the world economy in 1977 was said not to appear as favourable as was expected a year ago, Massey-Ferguson expects its own production and sales to continue at a high level.

The first quarter results are expected to be constrained by inventory adjustments in Brazil and production interruptions caused by tractor model changes in North America and Europe.

Farm equipment continued to be the mainstay of the company's business, accounting for \$23m. in sales up 10 per cent. Industrial and construction machinery sales rose 7 per cent. to \$380m., while diesel engines were up 15 per cent. to \$340m. Particularly good growth was enjoyed in West Germany, Iran, Pakistan, Turkey and Argentina. Sales in South Africa dropped by 25 per cent.

As a result of difficult economic conditions the company spent a record \$175m. in capital expenditures in 1976. These covered a programme involving introduction of new major products, as well as modernisation and expansion of capacity. For 1977, demand for farm machinery is expected to continue at high levels, somewhat tempered by lower prices resulting from the favourable world grain crops of 1976.

The company's net income for the first quarter of 1977 was \$11m. during the first five years for capital investments, Robert J. Lanigan, president and chief operating officer for domestic operations, said in remarks prepared for delivery to analysts, reports AP-DJ from Philadelphia.

He said the spending rate is aimed at reaching the company's previously announced goals of doubling its sales and earnings during the next five to seven years and that internally generated cash flow should be enough to pay for the major expansion programme.

Lanigan reiterated earlier projections that the company's 1976 performance will represent a record year in sales, net income and share earnings. The previous record was last year's, net of \$87.3m. or \$6.02 a share on sales of \$2,270m.

Exxon to spend \$22bn.

CAPITAL and exploration expenditures of Exxon Corporation are expected to total \$22bn. over a four-year period from 1977 through 1980, C. C. Garvin Jr.,

chairman said in a revised estimate provided to security analysts meeting in Houston yesterday, reports AP-DJ.

Previously the oil concern had said expenditures for the four years would total \$20bn.

Record profits at Seagram

THE SEAGRAM Company, the world's largest producer and marketer of distilled spirits and wines, reports record net income and sales for the first quarter of its 1976-77 financial year, reports UNIS.

Net income of Seagram, which also has oil and gas interests, improved by 18.9 per cent. from \$23m. (\$0.80 a share) to \$33.4m. (\$0.95 a share) in the three months to October 31, 1976.

This includes gains from foreign exchange fluctuations up from a restated \$2.5m. to \$5.7m. Sales expanded by 5.4 per cent. from \$542m. to \$571m.

Mr. Edgar M. Bronfman, chairman and chief executive officer of Seagram, says: "The improved results reflect the continuing strength of the U.S. and worldwide markets for Scotch whisky, particularly Chivas Regal, progress and strength in overall international operations, growing demand for our premium wines, and increased earnings contribution from our oil and gas operations."

Although sales in Canada continue to be affected by the exclusion of Seagram products from British Columbia, the company's brands are performing well in other parts of Canada, Mr. Bronfman states.

Operating income before earnings."

interest, unrealised foreign exchange gains and tax rose by 10.8 per cent. to \$65.7m. in the first quarter. Interest charges fell by \$633,000 to \$17.7m.

As announced on November 18, the regular quarterly dividend is being increased from 20 cents (Canadian) to 21.6 cents a share.

Wood Gundy on oil shares

IN A RECENT discussion of Canadian oil shares, Wood Gundy, Canada's biggest investment house, noted that "the rationale to purchase producing oil companies is based on an interpretation of recent events where takeover bids for companies have substantially exceeded their market prices," reports John Sogginich.

In other words, the big broker continued, "some industry experts feel that it is cheaper to purchase production rather than incur exploration costs."

Wood Gundy's recommendations relating to senior companies include Aquitaine of Canada, Dome Petroleum, Home Oil, Imperial Oil, and Pacific Petroleum.

Here is its reason: "We believe that the share prices of selected Canadian oils do not adequately reflect the favourable outlook."

It points to the higher crude oil and natural gas prices that will "generate earnings growth in 1977." Another factor is that "lower provincial royalties will also have a positive impact on before earnings."

IAN plans new share issues

AUGSBURG, Dec. 16.

nenfabrik Augsburg planned to raise the dividend for the past fiscal year to DM7 per share, from DM6, or 14 per cent. from DM6, or 12 per cent. the previous year. Mr. Wolburg said the effect of the corporate tax reform, which becomes effective on January 1, on MAN dividend policy is unclear, but in general companies should be able to offer a 15 per cent. increase in dividends under the new law if earnings are steady.

Order inflow in the first four months of the current fiscal year rebounded strongly after declining to DM3,695bn. in fiscal 1976 from DM4,291bn. the previous year, Mr. Wolburg said.

Orders through October 31 this business year totalled DM2,209bn., 127 per cent. more than in the comparable year-ago period. Mr. Wolburg gave a warning that this figure was distorted by large contracts, particularly domestic orders from the Federal German Defence Ministry, would take many years to deliver.

The order backlog rose to DM5,203bn. on October 31, against DM4,069bn. at the end of the fiscal year and DM4,143bn. on October 31, 1975.

Mr. Wolburg said capital spending in the current year was likely to be lower than the DM152m. spent by the parent company and GHH Sterkrade in fiscal 1976.

Meanwhile, Mr. Hans Moll, MAN management board chairman told a news conference that the proposed joint production of medium-class trucks by MAN and Volkswagenwerk (VW) could capture 20 per cent. of the domestic market almost as soon as it begins full production.

Mr. Moll said the two companies, which signed a letter of intent concerning the proposed co-operation earlier this month, plan to begin production by the end of 1979 and should reach initial production goals of 15,000 units in two or three years.

Mr. Moll said that Daimler-Benz, which holds about a 75 per cent. market share in the class, but its previous domination of the market was unusual and could not last.

MAN, which currently has about half its sales in commercial vehicles, will not build any new factories for the initial stage of the VW co-operation plan, Mr. Moll said, but will refurbish its Nuremberg factory.

AP-DJ

On December 10 the Financial Times stated that Ericsson by way of "dowry" had brought Thomson a first half loss of Frs.50m. In fact, the attributable loss was limited to \$8m., since the Thomson stake in Ericsson was only 15 per cent.

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OBONDS

World Bank to raise DM250m.

BY TONY HAWKINS

WORLD Bank is to raise a count, trading at 99½ after being priced at 99½, in the light of this situation, the terms for today's new issue are probably a shade more generous than would have been the case a few weeks ago.

The DM100m. bond issue for ICIF International Finance priced at par on a 7½ per cent. of the Eurobond market coupon this week is currently trading at 98½-99, but the lead managers, Dresdner Bank say the issue was extremely well received in the market.

In the dollar sector, the Hamersley Holdings two-tranche \$50m. bond issue is to be priced today. There are two tranches of \$40m. each—one of 7-year notes on an 8½ per cent. coupon and one of 15 year debentures on a 9½ per cent. coupon.

In active secondary market trading, bond prices continued

because of the inflationary implications. There was very heavy turnover yesterday in the Norges Kommunalbank 8½ per cent. 15-year paper, priced early this week at 98½, at 98½-99. The Orient Leasing \$20m. issue of 7-year notes priced at 98½ on a coupon of 8½ per cent. traded at 98½-99 as well.

There was also good demand for some of the older U.K. issues such as Hambro and Great Universal Stores. The market was apparently unaffected by agency reports that nearly all the OPEC States—with the important exception of Saudi Arabia—favoured a 15 per cent. oil price increase, but some dealers believe that any oil price increase in excess of 10 per cent. would be bearish for the market.

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SELECTED EURODOLLAR BOND PRICES

MID-DAY INDICATIONS

STRAIGHTS	500	Offer	500	Offer
Alexandria 5½p 1988	100	100	Denmark 5½p 1984	100
Australia 5½p 1991	100	100	ECB 5½p 1984	100
Banque Paribas 5½p 1988	100	100	EU 5½p 1988	100
Can. Nat. 5½p 1988	100	100	EU 5½p 1988 Nov.	100
Credit National 5½p 1988	97	98	EU 5½p 1988	100

THURSDAY	WEDNESDAY
Medium 102.21	102.13
Long 94.19	93.99
Convertible 107.59	106.56

NOTES	500	Offer	500	Offer
Australia 5½p 1988	100	100	Denmark 5½p 1984	100
Australia 5½p 1991	100	100	ECB 5½p 1984	100
Banque Paribas 5½p 1988	100	100	EU 5½p 1988	100
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Can. Nat. 5½p 1988	100	100	EU 5½p 1988 Nov.	100
Credit National 5½p 1988	97	98	EU 5½p 1988	100

14	656,189	CONVERTIBLES		
		American Express 4½p '87	84	88
		Ashland 5pc 1988	891	90
05	295,362	Beatrice Foods 4½p 1992	1014	103
		Beatrice Foods 4½p 1992	128	122
		Borden 5pc 1992	1033	1061
		Broadway Hale 4½p 1987	784	804

WALL STREET + OVERSEAS MARKETS

Early 3.7 fall on profit-taking

STERLING WEAK

GOLD M.

BY OUR WALL STREET CORRESPONDENT

FURTHER profit-taking pushed prices to slightly lower levels on Wall Street today, following some uncertainty injected by the announcement of OPEC members' intention to raise oil prices, and by news that the Dow Jones Industrial Average was off 3.74 points after dropping 4.48 to 477.41, and the NYSE All Company Index lost 25 cents to 536.37.

Closing prices and market reports were not available for this edition.

Declines led advances were more than a two-to-one majority. But the trading volume decreased 3,000 shares to 12,040, compared with 15,000 on Wednesday.

Analysts noted the market has a "gratified" some midline new interest rates and the state of the economy, as demonstrated in Industrial Production figures and the Industrial Production Index.

Technical factors, such as overbought conditions and portfolio rotation, were also noted.

WEDNESDAY'S ACTIVE STOCKS

Stock	High	Low	Open	Close
IBM	101.75	101.50	101.60	101.50
General Electric	41.25	41.00	41.10	41.00
Westinghouse	38.75	38.50	38.60	38.50
Boeing	52.25	52.00	52.10	52.00
Rockwell	48.75	48.50	48.60	48.50
Northrop	45.25	45.00	45.10	45.00
Grumman	42.75	42.50	42.60	42.50
Lockheed	40.25	40.00	40.10	40.00
McDonnell Douglas	37.75	37.50	37.60	37.50
Boeing	35.25	35.00	35.10	35.00
Rockwell	32.75	32.50	32.60	32.50
Northrop	30.25	30.00	30.10	30.00
Grumman	27.75	27.50	27.60	27.50
Lockheed	25.25	25.00	25.10	25.00
McDonnell Douglas	22.75	22.50	22.60	22.50
Boeing	20.25	20.00	20.10	20.00
Rockwell	17.75	17.50	17.60	17.50
Northrop	15.25	15.00	15.10	15.00
Grumman	12.75	12.50	12.60	12.50
Lockheed	10.25	10.00	10.10	10.00
McDonnell Douglas	7.75	7.50	7.60	7.50
Boeing	5.25	5.00	5.10	5.00
Rockwell	2.75	2.50	2.60	2.50
Northrop	0.25	0.00	0.10	0.00

* Rates of index changed from July 1.

STANDARDS AND POORS

Stock	High	Low	Open	Close
IBM	101.75	101.50	101.60	101.50
General Electric	41.25	41.00	41.10	41.00
Westinghouse	38.75	38.50	38.60	38.50
Boeing	52.25	52.00	52.10	52.00
Rockwell	48.75	48.50	48.60	48.50
Northrop	45.25	45.00	45.10	45.00
Grumman	42.75	42.50	42.60	42.50
Lockheed	40.25	40.00	40.10	40.00
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Boeing	35.25	35.00	35.10	35.00
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Grumman	12.75	12.50	12.60	12.50
Lockheed	10.25	10.00	10.10	10.00
McDonnell Douglas	7.75	7.50	7.60	7.50
Boeing	5.25	5.00	5.10	5.00
Rockwell	2.75	2.50	2.60	2.50
Northrop	0.25	0.00	0.10	0.00

OVERSEAS SHARE INFORMATION

NEW YORK

Stock	High	Low	Open	Close
IBM	101.75	101.50	101.60	101.50
General Electric	41.25	41.00	41.10	41.00
Westinghouse	38.75	38.50	38.60	38.50
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Boeing	5.25	5.00	5.10	5.00
Rockwell	2.75	2.50	2.60	2.50
Northrop	0.25	0.00	0.10	0.00

Investment premium based on \$2.50 per £1—122 1/2% (115 1/2%)

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Boeing</				

ARMING AND RAW MATERIALS

come of farmers up im ICI

ur Commodities Editor
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come of the 327 farmers
ed by ICI under its
d-farms scheme, rose
months to June, 1976, for
t time in four years, it
orted yesterday.
taking inflation into
there was a real
of only 5 per cent
d mainly by fixed costs
contained below the
rate.
report claims that grass
rural resource in Britain
in importance to North
and coal. In 1975 the
K. food import bill at
was only 7 per cent
in the cost of importing
products. But only
was invested in agricul-
1974-75 against £2,000m.
and costs.
while Sir Henry Plumb,
n of the National
Union, emphasised
y that the higher food
resulting from the cut
idies announced in Mr.
n-Budget this week,
bring any more money
in.
claimed farmers, who
extra income if invest-
production was to be
ed, were being denied
nt resources and the
ity to cut the U.K. food
ill by £600m, a year.

Soviet grain purchasing halt predicted

BY DAVID SATTEN
MR. RICHARD BELL, U.S. Assistant Agriculture Secretary, said today that in the light of this year's excellent Soviet grain harvest the Soviet Union was unlikely to make major U.S. grain purchases in the near future.
Mr. Bell, who finished two days of talks with Soviet officials on the progress of last year's U.S. Soviet agreement which commits the Russians to purchase 500,000 tons of grain annually for the next five years, said the Soviet Union had purchased 500,000 tons of American wheat and maize for delivery by next September. Soviet officials had left open the possibility of buying an additional 1.5m. tons.
These additional purchases would raise total Soviet purchases above the 5m. tons minimum by 2m. tons, the extra amount which would be sold without prior U.S. Government clearance.
However, Mr. Bell said that he was now convinced the Soviet harvest was a record, and we do not think there will be any more big purchases of American grain anytime soon.
He said Soviet officials spoke repeatedly of their record grain harvest even though final figures were not yet available. The Soviets have already declared that this year's harvest will exceed 220m. tons.
The record Soviet grain harvest was 222.5m. tons harvested in 1975. Mr. Bell said prospects for the Russian winter wheat crop, which accounts for a third of the total, were good to excellent and the sowing has been successful.
Mr. Bell also said he believed the USSR has no immediate plans to buy Soyabans.
Over the past year the USSR has bought some 2m. tonnes of soyabean on the world market, including about 1.3m. tonnes from the U.S., he told journalists.
China sale
"It is my impression that they have no immediate plans to purchase any soyabans," he said, adding: "A lot of what they have already purchased is still arriving but this does not mean that they might not want to buy some more some time early next year."
In Buenos Aires, meanwhile,

Aluminium output rise forecast

By Our Commodities Staff
THE "WORLD aluminium industry could be operating at maximum capacity next year with stocks around normal levels as the market readjusts to 1976 continues in 1977. Pechiney Ugine Kuhlmann, the French producer, said yesterday, reports Reuter from Paris.
In a statement the company said general economic activity was expected to grow at a lower pace than in 1976, but primary aluminium consumption in France should increase. This year primary aluminium consumption was expected to reach 480,000 tonnes, around 20 per cent up on 1975, and about the same as 1974.
Meanwhile, a substantial world surplus of aluminium was forecast in the first issue of Aluminium Trends, a periodical of reports published by the Aluminium Association of America. Further issues will be published as significant changes in the industry make themselves necessary, the A.M.C. said.
The booklet said producer stocks should rise to 1.3m. tonnes by the end of 1976. "If these figures will be met, metal of 175,000 tonnes and 370,000 tonnes in 1979 and 1980 respectively," it added.
Canada's aluminium will have to be reduced by mid-1977 to avoid widespread disinvestment, according to Aluminium Trends. It forecast North American list prices would rise to 60 cents a pound in 1980 and free market prices would reach 70-75 cents a pound.

Swift change from boom to bust

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT
IN THE mid 1930s I was selling bacon pigs at around 15 pence a head, and the food cost for a home mixed ration was about 10 pence a head. To-day the bacon pig is worth ten times what it was then, £50, but the cheapest home mixed ration is costing on the basis of the market price of the cereal content, between 195 and £100, at least 15 times the cost then. The cost of wages is now just about 20 times the 1935 figure. That is the nub of the problem, that the cost of pig keeping is too high.
At this time last year things were better. The bacon pig was around the same price, but the feed cost was under 270 pence, about 11 times the price then. Wages were about 10 pence less. Last year pigs were paying very well indeed. This year, according to the Meat and Livestock Commission's statistics, most farms of pig keeping are in the red, or near-loss, position, without much prospect of improvement.
Pigs have always been noted for the cyclical nature of their economics, but I cannot remember a time when the change from boom to bust has taken place so fast as this year. Last year's boom followed a very bad slump, when the Government was forced to institute a special payment of 50p a score, and weight, about £3.50 per bacon pig, to keep the industry alive.
In the event, the pig herd dropped dramatically, breeding sows by 18 per cent, and young gilts in pig by a third between 1975 and 1976. There has been a significant recovery since then, particularly in the number of breeding sows, but the signs are that this is being checked.
Guarantees end
The 1974-75 slump was particularly severe because it coincided with the ending of the pig guarantees which were part of the price support. These were not open-ended, being limited to a fixed number of slaughterings agreed at each Review. If production exceeded this normal level, the payment per pig was effectively reduced.
The EEC system which was adopted in 1974 did away with the guarantee which had been operating before, and replaced it with protection from imports from Third Countries at a 57p per pig intervention buying band.

aid fund

ches \$1bn.
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ROME, Dec. 16.
aid fund designed to
world's poorest nations
ough food to feed their
has finally reached its
ure of \$1bn. UN Food
eulture Authority offi-
cials here today the Inter-
Fund for Agricultural
evelopment (IFAD), stems
UN World Food Con-
ference met here in 1974
up proposals for ways
the problem of world
food.

Oil threat unsettles metals

BY JOHN EDWARDS, COMMODITIES EDITOR
FEARS OF a higher than expected rise in oil prices unsettled the London metal markets yesterday. By the close of the day, the OPEC meeting in Qatar and the earlier rise in sterling, restricted price declines to modest proportions. Copper and tin, in fact, closed only marginally lower while there were sharper falls in lead and zinc.
Although an oil price rise of 15 per cent would be highly inflationary and eventually raise the cost of producing metals substantially, the immediate impact would be to reduce demand further and delay still longer the hoped-for general recovery in economic activity. It would also mean that the price of surplus supplies available, notably of copper, would be reduced.
Mr. Axon Soko, Zambian Minister of Mines, warned yesterday in Lusaka that the projected upswing in copper prices next year might not materialise if the price of oil continues to rise ahead with their threats to raise the cost of oil.
He told a meeting of industrialists that soaring production costs, low copper prices and the general world recession had brought Zambia serious economic problems.
Meanwhile, Reuter reported from Paris that CIPEC (the Council of Copper Exporting Countries) is still undecided what new pricing mechanism should be introduced to boost world copper prices from their current low levels. On suggestion is that a new pricing system could involve the introduction of an extra average amount applied on top of the current London Metal Exchange daily copper quotation.
However, CIPEC apparently would prefer to approach the subject of new pricing mechanisms in co-operation with the UN Conference on Trade and Development and does not intend to tackle it alone.
The United Intergovernmental group of experts on copper (IEC) will meet for two weeks in February and one week in March, 1977, to discuss the copper price problem, and an extraordinary CIPEC conference of ministers will be held some time after that to assess the conclusions of the discussions.

U.S. import curbs on beef

WASHINGTON, Dec. 16.
THE U.S. beef suppliers have reached a general agreement under which U.S. beef imports in 1977 will be held to an increase of 4 per cent over 1976, officials said here, reports AP-Dow Jones.
With the beef-exporting countries voluntarily restricting their U.S. sales to a maximum total of 1,200,000 lbs next year, the U.S. will not have to impose mandatory quotas as it did last October to protect domestic beef producers.
For the first time, the voluntary restraints programme may be applied to Canada, although details of Canadian participation have not been worked out.
In negotiations for 1977 restraints, U.S. officials have been seeking tighter arrangements for Canada.

World copper stocks rise

NEW YORK, Dec. 16.
World crude production fell in October to 527,400 tons from 547,400 tons during September. But it was up from 500,300 tons in October last year. Refined copper rose to 1,457,000 tons in October from 1,452,000 tons in September and 471,700 tons in October 1975.
World refined deliveries to fabricators fell to 523,500 tons in October from 553,700 tons in September. In October, 1975, they were only 405,500 tons.
World refined copper stocks rose 17,400 short tons to 1,475,200 tons in October, the American Bureau of Metal Statistics said here. This compared to a decrease of 10,200 tons to 1,457,000 tons the previous month.
ABMS estimated world copper stocks in October of last year at 1,386,900 tons.
Refined copper stocks in the U.S. increased 16,700 tons during October to 372,800 tons, while stocks abroad gained 700 tons to 1,012,400 tons.

Milk price rise urged

THE REAL effects of last summer's drought were only now beginning to emerge for Britain's dairy farmers in the form of increased costs and lower milk yields from their cows. Sir Emrys Jones, principal of the Royal Agricultural College, Cirencester, said yesterday.
Sir Emrys challenged Mr. John Silkin, the new Minister of Agriculture, to back his call for an expansion of U.K. milk production with an increase of 6p or 7p a gallon in the farmers' milk price.
"Calculations we have made on our own dairy herd at the college show that the drought has cost us 5p a gallon," Sir Emrys said. "So far we have had only 2p a gallon extra to cover the effects of the drought."

COMMODITY MARKET REPORTS AND PRICES

Table with 4 columns: Commodity, Unit, Price, and Change. Includes sections for METALS (Copper, Tin, Lead, Zinc) and COFFEE (Arabica, Robusta).

COFFEE

Table with 4 columns: Commodity, Unit, Price, and Change. Includes sections for COFFEE (Arabica, Robusta) and RUBBER (Latex, Smoked).

PRICE CHANGES

Table with 4 columns: Commodity, Unit, Price, and Change. Includes sections for METALS (Aluminum, Nickel) and GRAINS (Wheat, Corn).

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Tel: 01 242 6747

SILVER

Table with 4 columns: Commodity, Unit, Price, and Change. Includes sections for SILVER (Spot, Futures) and SOYABEAN MEAL.

SOYABEAN MEAL

Table with 4 columns: Commodity, Unit, Price, and Change. Includes sections for SOYABEAN MEAL (Spot, Futures) and WOOL FUTURES.

WOOL FUTURES

Table with 4 columns: Commodity, Unit, Price, and Change. Includes sections for WOOL FUTURES (Spot, Futures) and VEGETABLE OILS.

LEASING DIGEST

Highly 8-page financial news-rich detailed features and news on the U.K. and overseas leasing industry. Officers should note that 10% of new industrial machinery and transport J.K. is on lease today. Newsletter is independently edited and approved by the Leasing Association. Publishers Limited, 100, Strand, London, W.C.2R. Tel: 01 242 6747.

LEGAL NOTICES

In the Matter of The Companies Act, 1948 and in the Matter of ASAL-GAMING MANAGEMENT SERVICES LIMITED (in Liquidation). NOTICE IS HEREBY GIVEN pursuant to Section 296 of the Companies Act, 1948, that a GENERAL MEETING of the MEMBERS of the above-named Company will be held at the offices of FLOYD NASH & CO., Chartered Accountants of 30 Clifford's Lane, London, E.C.4, on the 21st day of January 1977 at 3.30 p.m. to be followed at 4.00 p.m. by a GENERAL MEETING of the Liquidators for the purpose of receiving an account of the Liquidators' Acts and Deeds and of the conduct of the Winding-up to date. DATED this 16th day of December, 1976. R. E. FLOYD, Liquidator.

COCOA

Table with 4 columns: Commodity, Unit, Price, and Change. Includes sections for COCOA (Spot, Futures) and GRAINS.

GRAINS

Table with 4 columns: Commodity, Unit, Price, and Change. Includes sections for GRAINS (Wheat, Corn) and JUTE.

JUTE

Table with 4 columns: Commodity, Unit, Price, and Change. Includes sections for JUTE (Spot, Futures) and COTTON.

COTTON

Table with 4 columns: Commodity, Unit, Price, and Change. Includes sections for COTTON (Spot, Futures) and FINANCIAL TIMES.

FINANCIAL TIMES

Table with 4 columns: Commodity, Unit, Price, and Change. Includes sections for FINANCIAL TIMES (Spot, Futures) and DOW JONES.

DOW JONES

Table with 4 columns: Commodity, Unit, Price, and Change. Includes sections for DOW JONES (Spot, Futures) and MOODY'S.

MOODY'S

Table with 4 columns: Commodity, Unit, Price, and Change. Includes sections for MOODY'S (Spot, Futures) and HIDE-MARKET.

Table with 4 columns: Commodity, Unit, Price, and Change. Includes sections for HIDE-MARKET (Spot, Futures) and other financial data.

Unit Tr. Mgrs. Ltd. (aig)		Bridge Fund Managers (aig)		G.T. Unit Managers Ltd.		Kleinwort Benson Unit Managers		Morgan Fund Managers Ltd.		Piedcadilly Unit Tr. Mgrs. Ltd. (aig)		J. Henry Schroder Wagg & Co. Ltd.		Target Trust Mgrs. (Scotland) (aig)	
seaboard Ltd. Aylesbury	0296 3641	Barclays Bank Ltd. E.C.2A	01 228 194	10 Finchbury Cir. E.C.2A	01 228 194	30, Grosvenor, Grosvenor	01 228 194	30, Grosvenor, Grosvenor	01 228 194	30, Grosvenor, Grosvenor	01 228 194	30, Grosvenor, Grosvenor	01 228 194	30, Grosvenor, Grosvenor	01 228 194
Capital	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Income	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 1990	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 1991	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 1992	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 1993	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 1994	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 1995	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 1996	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 1997	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 1998	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 1999	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2000	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2001	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2002	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2003	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2004	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2005	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2006	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2007	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2008	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2009	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2010	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2011	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2012	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2013	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2014	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2015	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2016	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2017	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2018	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2019	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2020	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2021	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2022	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2023	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2024	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2025	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2026	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2027	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2028	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2029	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2030	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2031	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2032	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2033	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2034	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2035	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2036	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2037	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2038	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2039	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2040	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2041	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2042	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2043	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2044	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2045	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2046	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2047	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2048	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2049	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2050	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2051	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2052	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2053	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2054	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2055	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2056	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2057	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2058	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2059	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2060	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2061	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2062	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2063	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2064	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2065	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Div. 2066	22.4	22.4	22.4	2											

[illegible]

	Dec. 16	Week ago	Month ago
	£	£	£
N anish A.1 per ton	1,025	1,025	1,025
ritish A.1 per ton	900	980	965
lish Special per ton	900	980	965
lisher A.1 per ton	885	885	960
ER (packet)			
Z per 20 lb	9.51	9.59	9.51
nglish per cwt	37.12	37.12	37.12
anish salted per cwt	38.50-39.98	38.50-40.48	38.50-40.93
SE4			
nglish cheddar rindless			
per tonne	990.11	990.11	990.11
Z per tonne	896.50	896.50	896.50
ome-prod. Standard	3.85-4.10	4.00-4.20	3.80-3.95
Large	4.00-4.30	4.10-4.30	3.90-4.00
	Dec. 16	Week ago	Month ago
	per pound	per pound	per pound
	p p	p p	p p
ritish killed sides (ex-			
KKCF)	49.0-52.5	48.0-51.0	48.0-51.0
re forequarter	30.0-34.0	34.0-34.0	36.0-38.0
nglish	42.0-46.0	40.0-48.0	40.0-46.0
Z PLs-PMs	47.0-48.0	47.0-48.0	44.0-47.5
ON			
nglish cwas	30.0-39.0	—	—
(all weights)	—	30.0-39.0	30.0-39.0
TRY			
oiler chickens	29.0-35.0	29.5-32.5	31.0-35.0
London Egg Exchange			
delivery December 18-23	price per	120 eggs.	† Delivered.

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Highlights from Statement of Chairman Arthur Chamberlain, M.C. T.D. Year ending 31st July, 1976

We achieved sales of £5.8 million (£5.4 million)
Profits before tax of £284,849 (£239,426)

directors recommend a bonus issue of one ordinary share
for every three held by shareholders

ears now industrialists have been warning Government a
live beyond our means can only spell disaster. These
have largely gone unheeded. The Government is
sort of panic manipulations designed to tide us over
something miraculous turns up. Meantime they continue
more money than we earn and go cap in hand to
le who will lend us yet more.

ve that industrialists should from now take a much
active part in bringing about a return to sanity and
cy. Gone are the days when we could turn our backs
dificians and devote all our time and energy to making
rofits on which the nation relies for its standard of living.
ust now form a lobby as strong or stronger than others
a around us, politically strong enough to ensure that our
prevail.

y we want a reduction in the rate of inflation to at least
of out-riding competitors. We want to see a larger
tion in Government spending. We want an end to further
tialism. We want to see the return of differentials
ills often so painfully acquired. We want a decrease
sonal taxation so that incentives can operate once again.
ant to take home more of what we earn. Above all we
less interference from Government whether national or
in our every day thoughts and needs. It should be
p the mind much more controlled and centralised so
that we can safeguard our democratic liberties, and
e our ability to create wealth.

**FIRST QUARTER SALES ON TARGET FOR 40%
QUARTERLY INCREASE IN 1976/7**

Arthur Securities (C.L.) Limited P.O. Box 294, St. John's, Barbados Tel. (214) 779-9999 Next dealing day December 21 Next sub day Dec. 20	Delta Group P.O. Box 3012, Nassau, Bahamas Delta-Dee, Inc., Nassau, 124-082 Delta-Dee International Inv. Fd. P.O. Box 70712, Nassau, Bahamas NAV Dec. 11 \$132.26 2.00	Hambro Pacific Fund Mgmt. Ltd. 2110 Connaught Centre, Hong Kong Pacific Fund, Ltd., 124-082 Hambro Pacific Fund Mgmt. Ltd. P.O. Box 108, St. Peter Port, Guernsey NAV Dec. 11 \$132.26 2.00	Kleinwort Benson Limited 20, Fenchurch St., EC3 Kleinwort Benson Ltd. Guernsey Inc. NAV Dec. 11 \$132.26 2.00	Old Court Commodity Fd. Mgrs. Ltd. P.O. Box 58, St. John's, Barbados NAV Dec. 11 \$132.26 2.00	TSE Unit Trust Managers (C.I.) Ltd. Bagatelle Rd., St. Vincent, Guyana NAV Dec. 11 \$132.26 2.00
Australian Selection Fund NV Market Opportunities, 100 Young & US\$139.00, 124-082 NAV Dec. 11 \$132.26 2.00	Emerson & Dudley Ltd., Mt. Jery, Ltd. 100, 124-082 NAV Dec. 11 \$132.26 2.00	Haupt Management Ltd. 100, 124-082 NAV Dec. 11 \$132.26 2.00	Lamont Investment Mgmt. Ltd. 100, 124-082 NAV Dec. 11 \$132.26 2.00	Pratt Trust (C.I.) Fd. Mgt. Ltd. P.O. Box 104, St. John's, Barbados NAV Dec. 11 \$132.26 2.00	Tokyo Pacific Holdings N.V. Intimus Management Co. N.V., Curacao NAV per share Dec. 11 \$132.26 2.00
Barclay Bank Luxembourg 2, Rue de la Reine B 1000 Brussels Barclay Bank Ltd., 124-082 NAV Dec. 11 \$132.26 2.00	Bridgeway Fund Ltd. 100, 124-082 NAV Dec. 11 \$132.26 2.00	Heenderson BSM Mgmt. Ltd. 100, 124-082 NAV Dec. 11 \$132.26 2.00	Lloyds Ab. (C.I.) U.K. Mgrs. P.O. Box 105, St. John's, Barbados NAV Dec. 11 \$132.26 2.00	Prosser & Prosser International P.O. Box 105, St. John's, Barbados NAV Dec. 11 \$132.26 2.00	Tyndal Fund Hamilton, Bermuda, & St. Helier, Jersey NAV Dec. 11 \$132.26 2.00
Bank of London & S. America Ltd. 40, Col. Queen Victoria St., London NAV Dec. 11 \$132.26 2.00	Bridgeway Fund Ltd. 100, 124-082 NAV Dec. 11 \$132.26 2.00	Heenderson BSM Mgmt. Ltd. 100, 124-082 NAV Dec. 11 \$132.26 2.00	Lloyds Ab. (C.I.) U.K. Mgrs. P.O. Box 105, St. John's, Barbados NAV Dec. 11 \$132.26 2.00	Prosser & Prosser International P.O. Box 105, St. John's, Barbados NAV Dec. 11 \$132.26 2.00	Tyndal Fund Hamilton, Bermuda, & St. Helier, Jersey NAV Dec. 11 \$132.26 2.00
Barclays Unicom Int. (Ch. Is.) Ltd. 1, Charing Cross St., St. Helier, Jersey NAV Dec. 11 \$132.26 2.00	Bridgeway Fund Ltd. 100, 124-082 NAV Dec. 11 \$132.26 2.00	Heenderson BSM Mgmt. Ltd. 100, 124-082 NAV Dec. 11 \$132.26 2.00	Lloyds Ab. (C.I.) U.K. Mgrs. P.O. Box 105, St. John's, Barbados NAV Dec. 11 \$132.26 2.00	Prosser & Prosser International P.O. Box 105, St. John's, Barbados NAV Dec. 11 \$132.26 2.00	Tyndal Fund Hamilton, Bermuda, & St. Helier, Jersey NAV Dec. 11 \$132.26 2.00
Barclays Unicom Int. (C.O. Man) Ltd. 1, Charing Cross St., St. Helier, Jersey NAV Dec. 11 \$132.26 2.00	Bridgeway Fund Ltd. 100, 124-082 NAV Dec. 11 \$132.26 2.00	Heenderson BSM Mgmt. Ltd. 100, 124-082 NAV Dec. 11 \$132.26 2.00	Lloyds Ab. (C.I.) U.K. Mgrs. P.O. Box 105, St. John's, Barbados NAV Dec. 11 \$132.26 2.00	Prosser & Prosser International P.O. Box 105, St. John's, Barbados NAV Dec. 11 \$132.26 2.00	Tyndal Fund Hamilton, Bermuda, & St. Helier, Jersey NAV Dec. 11 \$132.26 2.00
Bishopsgate Commodity Sec. Ltd. P.O. Box 30, St. John's, Barbados NAV Dec. 11 \$132.26 2.00	Bridgeway Fund Ltd. 100, 124-082 NAV Dec. 11 \$132.26 2.00	Heenderson BSM Mgmt. Ltd. 100, 124-082 NAV Dec. 11 \$132.26 2.00	Lloyds Ab. (C.I.) U.K. Mgrs. P.O. Box 105, St. John's, Barbados NAV Dec. 11 \$132.26 2.00	Prosser & Prosser International P.O. Box 105, St. John's, Barbados NAV Dec. 11 \$132.26 2.00	Tyndal Fund Hamilton, Bermuda, & St. Helier, Jersey NAV Dec. 11 \$132.26 2.00
Bridge Management Ltd. P.O. Box 508, Grand Cayman, Cayman Is. NAV Dec. 11 \$132.26 2.00	Bridgeway Fund Ltd. 100, 124-082 NAV Dec. 11 \$132.26 2.00	Heenderson BSM Mgmt. Ltd. 100, 124-082 NAV Dec. 11 \$132.26 2.00	Lloyds Ab. (C.I.) U.K. Mgrs. P.O. Box 105, St. John's, Barbados NAV Dec. 11 \$132.26 2.00	Prosser & Prosser International P.O. Box 105, St. John's, Barbados NAV Dec. 11 \$132.26 2.00	Tyndal Fund Hamilton, Bermuda, & St. Helier, Jersey NAV Dec. 11 \$132.26 2.00
Butterfield Management Co. Ltd. P.O. Box 105, Hamilton, Bermuda NAV Dec. 11 \$132.26 2.00	Bridgeway Fund Ltd. 100, 124-082 NAV Dec. 11 \$132.26 2.00	Heenderson BSM Mgmt. Ltd. 100, 124-082 NAV Dec. 11 \$132.26 2.00	Lloyds Ab. (C.I.) U.K. Mgrs. P.O. Box 105, St. John's, Barbados NAV Dec. 11 \$132.26 2.00	Prosser & Prosser International P.O. Box 105, St. John's, Barbados NAV Dec. 11 \$132.26 2.00	Tyndal Fund Hamilton, Bermuda, & St. Helier, Jersey NAV Dec. 11 \$132.26 2.00
Capital International S.A. 7 rue Mark-Denis, Luxembourg NAV Dec. 11 \$132.26 2.00	Bridgeway Fund Ltd. 100, 124-082 NAV Dec. 11 \$132.26 2.00	Heenderson BSM Mgmt. Ltd. 100, 124-082 NAV Dec. 11 \$132.26 2.00	Lloyds Ab. (C.I.) U.K. Mgrs. P.O. Box 105, St. John's, Barbados NAV Dec. 11 \$132.26 2.00	Prosser & Prosser International P.O. Box 105, St. John's, Barbados NAV Dec. 11 \$132.26 2.00	Tyndal Fund Hamilton, Bermuda, & St. Helier, Jersey NAV Dec. 11 \$132.26 2.00

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TRUSTS—Continued

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NOMURA

The Nomura Securities Co., Ltd.

NOMURA EUROPE N.V. LONDON OFFICE:
Barclays Square, Bank, Monckwell Square, London Wall,
London EC 5Y 8L Phone: (01) 805-3411, 6253

MINES—Continued

FAR WEST RAND

Price	Low	Stock	Price	Low	Stock	Price	Low	Stock	Price
250	250	Rayco 25c	320	320	207c	1.8			
1715	1715	Bulleit 1R	630	+5	102c	1.8			
170	170	Deerfield 20c	76		102c	1.8			
130	130	Deerfield 20c	76		102c	1.8			
130	130	Deerfield 20c	76		102c	1.8			
122	122	Deerfield 20c	76		102c	1.8			
130	130	Deerfield 20c	76		102c	1.8			
122	122	Deerfield 20c	76		102c	1.8			
130	130	Deerfield 20c	76		102c	1.8			
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Spain seeks package for democracy

BY ROGER MATTHEWS

MADRID, Dec. 16.

SPAIN'S PREMIER Sr. Adolfo Suarez was working to-night on a major political initiative to capitalise on his Government's expected but sweeping victory in the national referendum on constitutional reform.

After a day of intensive negotiations, it is believed that he is putting together a package which would simultaneously satisfy the demands of the kidnapers, who are threatening to kill the President of the Council of State, Sr. Antonio Oriol, take the immediate heat out of the Basque Nationalist issue, and provide a generous amnesty for the country's remaining political prisoners.

The terrorist organisation GRAPO, has said that it will kill Sr. Oriol by midnight tomorrow unless its demands for 15 named persons to be flown to Algeria are met. The Spanish Ambassador was summoned to see Sr. Oriol, Spanish Foreign Minister, this morning.

The Spanish Red Cross has issued a statement of the Spanish Government and the kidnapers.

As the second part of the package Sr. Suarez is considering a general political amnesty that would help defuse Basque demands for release of all political prisoners by Christmas.

This would also serve to defuse some of the tension in the Basque provinces, where abstentions in the referendum were among the highest in the country, and of meeting one of the Opposition parties' main demands. Such a decision would obviously infuriate the extreme Right, but to no greater extent than if the kidnappers carried out their threat to Sr. Oriol. One of the main policy decisions by Sr. Suarez is the referendum results became known was that

Eurorouble change affects West trade

BY DAVID LASCELLES, EUROPE CORRESPONDENT

IN A MOVE which could have important implications for Western currency markets, the Soviet bloc has drawn up regulations enabling its joint currency, the transferable rouble, to be used to settle trade with the West.

At present all Soviet bloc currencies are non-convertible, and all imports from the West must ultimately be paid for in hard currencies.

Although the full details of the scheme are not yet available, it could well lead to creation of a Eurorouble market in which Western companies exporting goods from Comecon countries, would sell transferable roubles to companies wishing to buy goods from Comecon countries. The alternative would be for transferable rouble deals to be conducted with trading houses which engage in two-way trade with the Comecon.

On the face of it, few exporters to Comecon would voluntarily choose to take payment in transferable roubles rather than in hard currency. The significance of the new scheme will probably depend, therefore, on the extent to which Comecon countries decide to award contracts only to companies willing to accept transferable roubles.

Gold-backed
The scheme is in a recent ruling by the International Bank for Economic Co-operation (IBEC), the Moscow bank which settles trading accounts between members of Comecon, the nine-nation grouping of Communist countries headed by the Soviet Union.

The bank operates with transferable roubles, a gold-backed unit of account which enables Comecon members to finance

AFTER THE ECONOMIC PACKAGE... TUC price for support is action on prices and jobs

BY ROY ROGERS, LABOUR CORRESPONDENT

TUC leaders yesterday detailed the sort of Government commitment they would demand for a continuing co-operation on wage restraint after the present pay policy expires in July.

They made it clear that the Chancellor of the Exchequer would need to take firm action to curb price increases and rising unemployment—two items that the unions have always underlined as key elements in their social contract with the Government.

Mr. Len Murray, TUC general secretary, warned Mr. Healey that if he thought a new pay deal could be reached simply by linking it to tax concessions he could "forget about it".

After a special meeting of the TUC economic committee had considered the Chancellor's emergency package of cuts, announced on Wednesday, Mr. Murray said that the Government must be prepared to take specific commitments on a whole range of economic and social policies, including prices, the social wage and employment.

Mr. Murray said that the TUC economic committee was dis-

A prevalent view at yesterday's economic committee meeting was that the Government had been forced into drawing up the package and that the situation could have been a lot worse. There was no talk of abandoning the social contract, although two of the committee's members stood to be among the worst affected by the cuts—Mr. George Smith of the construction workers and Mr. Alan Fisher of the public employees—did not attend.

The depleted committee, which included Mr. Jack Jones of the transport workers and Mr. Hugh Scanlon of the engineers, decided against calling a special full meeting of the TUC general council on the cuts.

The depth of union feeling over unemployment was illustrated again yesterday when the national executive of the Boiler Makers' Amalgamation decided to seek an early meeting with the Prime Minister to voice their fears that there could be an additional 500,000 jobless by this time next year unless the Government acts.

£50m. a year extra State money for Enterprise Board

BY ADRIAN HAMILTON

THE NATIONAL Enterprise Board is to get £50m a year extra from the Government's annual budget, a move which would otherwise have been delayed, however, by the Government's decision to include, at the Department's discretion, virtually any project costing more than £500,000 which might otherwise not have gone forward in the absence of Government assistance.

This includes raising the size of efficiency of plant; bringing projects forward by a year or more; or extending the product range and marketing facilities of companies (a point which has been stressed strongly by the industrial strategy working parties).

Although the scheme has been in preparation since last summer, it is regarded as the most important part of the industry package. Its actual call on finance during the first two years is not expected to exceed some £10m, a year, to be drawn from the £50m.

While the approved grants would be high figures, the practical disbursement of the cash tends to be slow in the early years building up later in the decade.

My remedy is right—Healey

BY RUPERT CORNWELL

BACKED BY a public promise of full support from the Prime Minister, Mr. Denis Healey, the Chancellor of the Exchequer, bluntly told his party's rebellious Left last night that the alternative to his economic package was a collapse of the pound and mass unemployment.

In a vigorous counter-attack, directed at Labour Left-wingers, Conservatives, and financial criticism that the measures were too weak, Mr. Healey argued that his answer was the right one.

No one seemed to be pleased. But if anyone had been fully satisfied, Mr. Healey maintained, then something else

Continued from Page 1 Devolution

ment that he could not urge his colleagues to oppose the Government's Bill when he intended to abstain.

Mr. Heath, former party leader, whose passionate support for devolution is at odds with Mrs. Thatcher's views, said that he could not go against his record of the last 10 years. He remained convinced that devolution gave the best chance of maintaining the unity of the U.K. and he believed that a vote against the Government's Bill would be taken in Scotland as a vote against the principle of devolution.

In addition, he gave a warning to his Tory colleagues that if the Bill were destroyed at Scotland was to move towards a greater degree of devolution than the Tories had advocated in the past. "I have not changed. Nothing I have heard in this debate gives me any reason to do so," Mr. Heath declared.

Earlier, Mr. Leon Brittan had insisted under pressure from Ministers that the Tories maintained their commitment to a directly-elected Scottish assembly, but all the indications during the four-day debate have been that Mrs. Thatcher and her shadow Cabinet colleagues have started the process of dropping this commitment in favour of simply maintaining the unity of the U.K.

£900m. power station orders recommended

BY MAX WILKINSON, INDUSTRIAL STAFF

A SERIES of power stations could be £70m. if the economy recovered to 3 per cent. annual growth. But it would soar to £900m. if the growth rate recovered 24 per cent. a year.

The CEGB said yesterday it could not take the risk of ordering such an enormous amount of power equipment which its best forecasts indicated would not be needed. The Board estimated the extra cost to the electricity consumer might be as high as 25 per cent. in some years if the economy were to stagnate.

Sir Arthur said: "Our duty is primarily to the electricity consumer. It would be wrong for the Board to find money to support British industry independent of the Government's decision."

The Think Tank said the consequences of inaction by the Government could be 30,000 redundancies in the four main companies—C. A. Parsons, GEC, Clarke Chapman and Babcock and Wilcox—and their suppliers. Without a firm base of home orders the industry would be unable to compete for exports or to maintain the technical development needed to make the next generation of British power stations.

The report contains strong criticism of the past policies of the CEGB and calls for a new relationship with its suppliers on a firm contractual commitment over ten years.

The report, Page 9, Editorial comment, Page 16

THE LEX COLUMN

Rank Xerox clear monopoly hurdle

Rumours in the last couple of weeks that the Monopolies Commission report on Rank Xerox would, after all, have some teeth were disproved by the appearance of yesterday's innocuous document. Rank's shares responded with a 5p rise to 117p.

The report contains the expected criticism of RX's Group Pricing Plan, which covers about 50 per cent. of U.K. machine rentals, but the company has six months to come up with an alternative strategy for large customers, and there is no reason to expect any drastic effect on competitiveness. The recommendations on prices for copiers sold outright and on separate charging for toner are peripheral.

Although RX's return on capital employed in the U.K. reached a peak of 47.8 per cent. in 1970, the Commission does not offer any direct criticism, apparently accepting that in earlier years, at least, this was a high risk industry. Returns have since declined sharply (to 26.3 per cent. in 1975 and an expected lower figure still in 1976) and competition is now much stronger.

Coincidentally, brokers Scott, Goff, Hancock's annual review of the Rank Organisation has also just appeared. They expect RX's profits growth to pick up in the current year, with earnings attributable to Rank rising 46 per cent. to 21p per share in 1976-77. Total Rank earnings could increase to 28p against 18p a share estimated for 1975-76, dropping the prospective p/e to 4.5. But Scott Goff are unhappy about Rank's overseas loan exposure and the possibility of further unloading by U.S. shareholders, so they are only mildly bullish about the share price at this stage.

Distillers
Distillers' profits have moved ahead well since the surprise upset of 1974-75. Last year's profit of £42.5m, and 1975-76's of £45.5m, has been followed by £53.2m, for the first time in the six months of 1975-76, with the prospect of around £60m. in the period, and the word "second half" is in the air.

The benefits of last year's smartly, but with the deficit of over £10m. before tax, fed through to margins, this does not add up to capitalised expenses in 1974-75, while the steady fall in sterling more than a break-even has repaid £69m. of debt, has boosted profits on U.S. sales year. At 29p, the share price is in line with the U.S. price of \$31m. The losses on dollars—of more than a quarter, costing nearly £200,000.

MEPC
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Index rose 8.9 to 322.7
The U.S. market has depressed, withdrawn bond in the first two years. Distillers has been a U.S. rose by about 100 per cent. in volume terms, first half, against a 50 per cent. for the index. Fortunately, the recent trend has been favourable, which has been a real test for the dividend.

But there are still major hurdles ahead. The starting point is net worth of £241m., which takes account of a revaluation of all the investment properties in August. However, these values have probably slipped somewhat in the intervening months. And there has been no formal revaluation of the £241m. of properties in the course of development (which the directors reckon could be pressed demand picture worth 10 to 20 per cent. less U.S. could depend on further £50m. of properties held in the New Year.

Meanwhile the impact of sterling's slide on foreign borrowings has more than offset the net repayment of debt at the Burton Group, leaving loan capital up by £17m. at £241m. MEPC, in contrast, has been tempted to throw the net sink into the £17m. mon with other property companies, does not disclose the crucial information about its borrowings limits. But until some progress is made with its problem investments yesterday's capitalisation of £51m. may mark the limit of the market's enthusiasm.

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But there are still major hurdles ahead. The starting point is net worth of £241m., which takes account of a revaluation of all the investment properties in August. However, these values have probably slipped somewhat in the intervening months. And there has been no formal revaluation of the £241m. of properties in the course of development (which the directors reckon could be pressed demand picture worth 10 to 20 per cent. less U.S. could depend on further £50m. of properties held in the New Year.

Meanwhile the impact of sterling's slide on foreign borrowings has more than offset the net repayment of debt at the Burton Group, leaving loan capital up by £17m. at £241m. MEPC, in contrast, has been tempted to throw the net sink into the £17m. mon with other property companies, does not disclose the crucial information about its borrowings limits. But until some progress is made with its problem investments yesterday's capitalisation of £51m. may mark the limit of the market's enthusiasm.

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